



South Carolina

Analysis of Impediments to Fair Housing Choice

2011

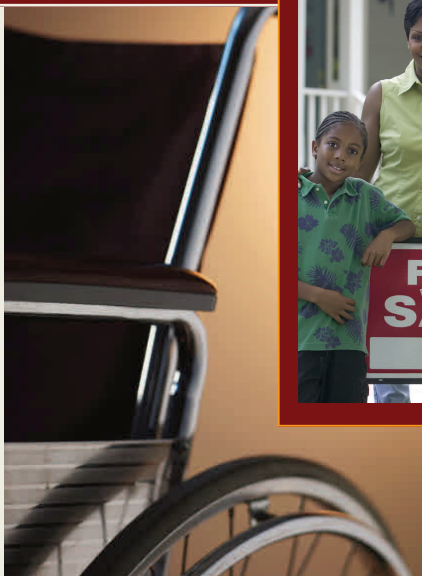


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PART I - INTRODUCTION

BACKGROUND

The Federal Fair Housing Act of 1968 states that it is the policy of the United States to provide for fair housing throughout the country and the Act prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including or otherwise making unavailable or denying a dwelling to any person because of race, color, religion, sex, national origin, handicap, or familial status.

The fundamental goal of the United States Department of Housing and Urban Development (HUD) fair housing policy is to ensure housing choice for all persons through Fair Housing Planning. This calls upon jurisdictions to *affirmatively* promote fair housing, and provisions to further this fair housing are long-standing components of HUD's regulatory requirements for states that receive federal funds for housing and community development programs. This includes jurisdictions participating in HUD Community Planning and Development programs: CDBG, HOME, ESG, and HOPWA. Nationally, fair housing and impediments to fair housing are monitored by HUD through the Community Block Development Grant (CDBG) program. This role of HUD to act as an administrator of fair housing programs originated in 1968 with the passage of the Civil Rights Act.

Each state grantee that receives CDBG funding under Title I of the Housing and Community Development Act is required to further fair housing and conduct fair housing planning through four actions. First, the state must conduct an analysis to identify impediments to fair housing choice within those cities/communities within its jurisdiction. Second, the state will take appropriate actions to address the effects of any impediments identified through the analysis. Third, the state will maintain records, reflecting the analysis and the actions taken in this regard. Fourth, the state must make efforts to assure that units of local government receiving HUD funds comply with these certifications to affirmatively further fair housing. As a part of the Consolidated Plan process, and as a requirement for receiving HUD funding, the state is required to submit a certification that it has undertaken fair housing planning through the four actions mentioned above.

Consistent with the above requirements, the State has undertaken fair housing planning at the state level, including preparing an Analysis of Impediments (AI) in 1997, updating the AI in 2003 and 2009, taking actions to overcome the effects of identified impediments, maintaining records throughout the period 1997 through 2010, and ensuring that all State-funded jurisdictions comply with their certifications to affirmatively further fair housing. Further, the state has consistently focused on fair housing issues and made efforts to mitigate impediments to fair housing choice education and outreach, by making affordable housing more readily available, and by addressing capacity. The State's fair housing efforts have been detailed each year in the State's Consolidated Annual Performance and Evaluation Report, as required by HUD.

The State is not required to submit its Analysis of Impediments to Fair Housing Choice (AI) to HUD, but instead must conduct and maintain the analyses and related records. Updates are not required, nor does HUD require a new AI as part of a new Consolidated Plan. However, HUD does recommend that states conduct an AI at the beginning of each Consolidated Plan cycle, and more recently, has begun to encourage annual updates, particularly for Entitlement Jurisdictions receiving direct HUD allocations.

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In its guide, *Fair Housing for HOME Program Participants*, HUD clarifies that “there is no requirement regarding the timing of updates to the AI,” noting that an AI “should be updated on an as-needed basis.” In light of changes in the economy in general, and the housing market in particular, as well as changes in the State’s demographics, the State has conducted this Analysis of Impediments in conjunction with the 2011-2016 State Consolidated Plan for Housing & Community Development. The analysis will serve to better understand the current conditions with respect to fair housing planning and to develop new and appropriate policies and programs to address changing circumstances and needs. This report represents the State’s efforts in making an objective assessment of the nature and extent of fair housing concerns, and the potential impediments to making fair housing choice available to its residents.

LAWS AND DEFINITIONS

The definition of Fair Housing is based upon a number of Federal statutes, Executive Orders, and regulations, and guidance from Federal Agencies, including HUD and the Department of Justice, augmented by State law as described below. The concept of affirmatively furthering fair housing, ensuring non-discrimination in housing and providing fair housing choice is rooted in the Fair Housing Act of 1968, and other relevant federal regulations, such as Title VI of the Civil Rights Act of 1964, the Architectural Barriers Act of 1968, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, and numerous Executive Orders, addressing issues such as language barriers. In the *Fair Housing Planning Guide*, HUD defines fair housing choice as “equal and free access to residential housing.” This applies to all individuals, regardless of race, color, religion, sex, disability, familial status, or national origin. It also applies to those whose limited English proficiency (LEP) is a barrier to full and meaningful participation in federally-assisted and federally conducted programs and activities.

Thus, throughout this document, **Fair Housing** is defined as follows:

Fair housing is a condition in which individuals of similar income levels in the same housing market have like ranges of housing choice available to them regardless of race, color, ancestry, national origin, religion, sex, disability, marital status, or familial status.

These classes of individuals, defined as “**protected classes**,” should have the same kinds of opportunities as other individuals of similar income levels when choosing where and in what type of dwelling they wish to live. Actions, omissions, or decisions which restrict housing choice, or which have the effect of restricting housing choice or the availability of housing choices, are considered barriers or impediments to fair housing choice.

The Fair Housing Law and other legislation, define the “protected classes,” who are specifically protected from discrimination, based upon race, color, religion, sex, disability, familial status, or national origin.

In its *CDBG Fair Housing and Non-discrimination Trainer Guide*, HUD further defines **discriminatory housing practices** as including “any action in which an individual or class of individuals in a specific protected class is treated differently than others who are not in that protected class, when the result of that action denies that individual or class of individuals equal access to or benefit of a housing opportunity.” HUD further notes that specific actions may be required to *create* equal access for people with disabilities.

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Common impediments cited by HUD are:

- Discrimination against families with children,
- Failure to make reasonable accommodations for persons with disabilities, which has the effect of discriminating against and limiting housing choices for persons with disabilities,
- Insufficient multi-lingual marketing efforts for LEP, which has the effect of limiting housing choices for LEP individuals,
- Zoning and land use policy that restrict certain types of housing to certain areas, effectively segregating public housing, supportive and group housing for persons with disabilities, and
- Locating housing that is affordable for lower-income individuals in specific areas, resulting in geographic concentrations of racial and ethnic minorities and low-income populations.

Thus, in this document, based upon the legal framework of federal and state laws and the guidance provided by the U.S. Department of Housing and Urban Development (HUD) *Fair Housing Planning Guide*, **impediments to fair housing choice** are defined as:

Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin, which restrict housing choices or the availability of housing choices; or

Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

To affirmatively promote equal housing opportunity, a community must work to remove impediments to fair housing choice.

SCOPE

The scope of this study covers a full array of public and private policies, practices, and procedures affecting housing choice.

The AI:

- Serves as the substantive, logical basis for Fair Housing Planning.
- Provides essential and detailed information to policy makers, administrative staff, housing providers, real estate organizations, lenders, and fair housing advocates.
- Assists in building public support for fair housing.

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FUNDING

The South Carolina Department of Commerce, Grants Administration Division, provided the funding for this analysis using Community Development Block Grant funds. A total of \$50,000 was allocated to preparing the Consolidated Plan and AI. In addition, more than 1,040 hours of staff time have been spent developing the required information.

PARTICIPANTS

The Department of Commerce, Grants Administration Division, administers the Community Development Block Grant Program for the state and, as the designated lead entity responsible for the development of the state's Consolidated Plan, also coordinates development, updates and reporting related to the state Analysis of Impediments. However, preparation and development of the AI is a collaborative effort requiring input from numerous individuals, agencies and organizations throughout the state, including the three other state agencies that administer other HUD programs covered under the State Consolidated Plan for Housing and Community Development. These agencies and the programs they administer are outlined below.

Agency	Program Administered
South Carolina Department of Commerce, Grants Administration Division (Lead Agency)	CDBG
South Carolina State Housing Finance and Development Authority (SHFDA)	HOME
South Carolina Governor's Office of Economic Opportunity (OEO)	ESG
South Carolina Department of Health and Environmental Control, STD/HIV Division (DHEC)	HOPWA

METHODOLOGY

CITIZEN PARTICIPATION

Citizen participation has been an integral part of the development of the AI, as it was necessary to evaluate the status of fair housing across the state. Several steps were utilized to maximize participation and outreach to obtain input from citizens, local governments, and other parties such as housing providers, real estate organizations, public and assisted housing service providers, including those with limited English proficiency. Each step is summarized below.

COMMUNITY/CITIZEN SURVEYS

During the month of July 2010, the Department of Commerce conducted an online, statewide survey of housing and community development needs and included questions on fair housing issues. Notification of the availability of the online survey, and the 30-day period during which it could be accessed and completed, were sent to lead and partner agency program constituents, including other state agencies, the 10 regional councils of government, elected officials and administrative staff of units of local government within the state, non-profit organizations, homeless coalitions, housing developers, housing and fair

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housing service providers, and other organizations. More than 1,215 survey notices were sent out and a total of 253 surveys were completed.

For units of local government and others not able to receive the survey notification via email, or unable to complete the survey online, paper copies of the survey were mailed and the responses received were added to data collected online to facilitate cumulative evaluation and analysis. A total of 47 local governments received paper copies of the survey. Overall, methods of distribution included the following:

- Placement of the survey on the internet.
- Notification regarding the survey and links to the online survey tool on the SC Department of Commerce and SC Housing Finance and Development Authority websites.
- Notification of the availability of the online survey, by each of the partner agencies to their program constituents, resulting in notification or surveys mailed to all local government administration staff, elected officials, community development professionals, non-profit affordable housing and special needs housing developers, non-profits operating emergency and transitional shelters, and service providers in the areas of homelessness, homeless prevention, affordable housing, foreclosure assistance and fair housing, transitional housing supportive services, and supportive services for special needs populations like those with HIV/AIDS.
- Distribution to the ten regional councils of governments.

In 2008, the State conducted a fair housing survey of local governments that had previously received CDBG funds or “State-funded local jurisdictions” as defined by HUD for fair housing purposes. As prior or current recipients of CDBG funds, these local governments were required to certify to affirmatively furthering fair housing, and were therefore expected to have a reasonable understanding of fair housing issues and compliance. The Department of Commerce sent the survey to public officials and administrators of these State-funded jurisdictions, as well as to community representatives and planners and staff of the regional Council of Governments, which serve these communities. Results of the 2008 survey were used to inform the State’s fair housing planning efforts in 2009 and 2010, and communicated to local governments and other interested parties. Most importantly, findings were used in evaluating the status of impediments to fair housing identified in the AI.

REGIONAL FOCUS GROUPS

In addition to the surveys, the state conducted a series of regional meetings during the month of July 2010. Five were dedicated to housing and fair housing issues as well as community development. Meetings were held around the state at regional Council of Government (COG) facilities. A sixth meeting focused on special needs and special needs housing issues and was held centrally in Columbia. These forums were held as follows:

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Regional Focus Groups:

Location	Region	Date & Time
Aiken	Lower Savannah COG region	July 26, 2010 - 9:30-11:30 am
Greenwood	Upper Savannah & Appalachian COG regions	July 26, 2010 - 2:30-4:30 pm
Florence	Pee Dee, Santee-Lynches & Waccamaw COG regions	July 27, 2010 - 9:30-11:30 am
Charleston	BCD & Lowcountry COG regions	July 28, 2010 - 9:30-11:30 am
Chester	Catawba & Central Midlands COG regions	July 29, 2010 - 9:30-11:30 am

Statewide Special Needs/Special Needs Housing Forum:

Location	Region	Date & Time
Columbia	Statewide	July 27, 2010 - 2:30-4:30 pm

The State invited persons and organizations with a knowledge of or interest in CDBG, HOME, ESG, and HOPWA programs. These groups included county and municipal officials and staff members, as well as representatives of not-for-profit service providers. Five of these meetings were regional, focusing on the rural areas typically served by the State programs, while the sixth meeting, held in Columbia, focused on Special Needs populations.

RESEARCH AND ASSESSMENT

Research for this study involved primary and secondary data sources. Despite this research, it is acknowledged that what is represented by these data does not capture the totality of fair housing conditions in South Carolina. Not all fair housing problems are recorded or come to light as fair housing complaints.

STATE DEMOGRAPHIC, ECONOMIC, AND HOUSING PROFILE

Based upon US Census data, the US Bureau of Economic Analysis, and the US Bureau of Labor Statistics and data from State agencies, academic organizations and institutes and reliable private entities such as the Appleseed Legal Justice Center and the Kaiser Family Foundation, this Analysis presents a profile of the State's population, income, and housing characteristics. Much of this information is included in the Five-Year Consolidated Plan.

FAIR HOUSING COMPLAINT AND LEGAL ANALYSIS

Using information gathered by HUD's Fair Housing and Equal Opportunity Office and the South Carolina Human Affairs Commission, fair housing complaints received in South Carolina over the past several years were reviewed. Information from the US Department of Justice and the South Carolina Department of Consumer Affairs was also reviewed.

LENDING ANALYSIS

Home Mortgage Disclosure Act (HMDA) information, which contains racial and ethnic information on applicants for mortgage-related loans, was analyzed for lending institutions operating in South Carolina.

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Predatory lending practices and related legislation were also reviewed, along with the impacts of foreclosure activity in the state and Community Reinvestment Act (CRA).

IDENTIFICATION OF IMPEDIMENTS & ACTIONS TO ADDRESS IMPEDIMENTS

Impediments to fair housing choice were identified and actions to overcome the effects of such impediments were developed based on:

- Outreach conducted during the development of the Consolidated Plan, using a variety of methods and technologies, to obtain input from local governments and other parties such as community development professionals, non-profits, housing developers and real estate organizations, public and assisted housing providers, housing service providers, agencies assisting those with limited English language proficiency and the public.
- Study of existing socio-economic conditions and housing trends and patterns.
- Analysis of Fair Housing complaint and lending data.
- Analysis of factors in the public and private sectors affecting housing choice, which include: laws, regulations, policies and practices; location, availability and accessibility of housing; conditions affecting Fair Housing choice for protected classes and availability of affordable housing.
- Findings from multiple sub-state level AI's to help inform the state level process.

The impediments to fair housing choice identified as a result of this Analysis of Impediments are summarized below.

- **Housing discrimination impedes fair housing choice and primarily impacts minorities and persons with disabilities.**
- **The prevalence of predatory lending products, coupled with a lack of access to credit and poor financial literacy, enable and may contribute to discriminatory effects.**
- **Economic barriers serve as an impediment to fair housing choice particularly when the supply of adequate affordable and accessible housing is limited.**
- **Regulatory barriers and lack of adequate coordination and resources can impede fair housing choice.**
- **Fair housing is impeded by a lack of knowledge of fair housing laws and fair housing resources among the general public, housing providers and policy makers.**

Please refer to Part VI – Impediments to Fair Housing Choice for complete analysis and discussion.

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Actions the state may take each year to address the above impediments to fair housing are outlined below and discussed in detail in Part VII – Actions to Address Impediments. Note that these actions may be undertaken by the South Carolina Department of Commerce in its role as the lead agency for the State Consolidated Plan, by the Consolidated Plan partner agencies, by other HUD-funded agencies in the state, by local government recipients of HUD funds or by other state agencies, as appropriate. Actions include:

- **Discrimination in the Housing Market** - The State recognizes that, despite an ongoing emphasis on Fair Housing and continual outreach and education, discriminatory practices still persist and limit housing choices for the state's protected classes. The state will promote activities and actions that will help identify, monitor and eliminate discrimination by housing providers, including actions to combat discrimination in the private sector in lending, brokerage, leasing, appraisal and other activities related to the provision of housing.
- **Private Sector Lending Practices** - The State will promote fair lending practices and support programs that improve financial literacy among the state's protected classes as a primary tool for reducing susceptibility to unfair and predatory lending. The State will encourage local outreach efforts and those sponsored by organizations such as the National Association of Realtors, builders associations and others aimed at educating private sector participants in housing related activities like development of affordable and accessible housing, lending, brokerage and sales, and appraisal.
- **Affordability and Accessibility of Housing Choices** - The provision of a greater supply of affordable housing in locations near jobs and services improves the number of housing options available to lower income populations, which in South Carolina encompass a high degree of minorities, elderly, persons with disabilities and households with single female parents, and this in turn helps to eliminate economic barriers to housing choice. Expanding housing options in all locations that are accessible to persons with disabilities, and increasing the awareness of requirements of developers and housing providers regarding accessibility and accommodations, will help eliminate physical barriers to housing choice for people with disabilities who often have a difficult time locating suitable and accessible housing. It will also facilitate "aging in place" of existing residents whose accessibility needs may currently be met but which may change as they get older.
- **Public Agency Policies and Coordination** - Greater coordination at the state and local level will help to increase the effectiveness of fair housing issues and ensure that fair housing is integrated into broader housing and human services efforts to reach those most affected by housing discrimination.
- **Public Awareness and Outreach** - There are a wide range of actions needed in education and outreach that will help to address identified impediments to fair housing choice.

PART II – STATE PROFILE

DEMOGRAPHIC DATA

POPULATION

As of the 2000 census, the population of South Carolina was just over 4 million, or 4,012,012. As of July 2009, the state's population is estimated to have grown by one-half million people and to be now just over 4.5 million, or 4,561,242.

Approximately one-third of the state's population is in areas designated as "non-metropolitan," more or less corresponding to the State Consolidated Planning Area (SCPA), and the remainder are located in the state's metropolitan areas. Historically, South Carolina was a more rural and agricultural state but this began changing in the 1940's and the trend toward urban growth has continued. As of 2010, population estimates reflect that 67.8% of the population is included in one of the state's eight Metropolitan Statistical Areas (MSAs). Micropolitan Statistical Areas (MSAs) with core urban populations of between 10,000 and 50,000 encompass an additional 17.5% of the state population.

The July 2009 estimate of the state's population indicates a growth rate of 13.7% since 2000. This increase shows that the state is growing much faster than the nation (9.1%). The largest regions in the state are reflective of the urban area growth around Greenville, Columbia, and Charleston, as indicated by the chart below.

Population by Region
Regional Population as Percent of Total South Carolina Population

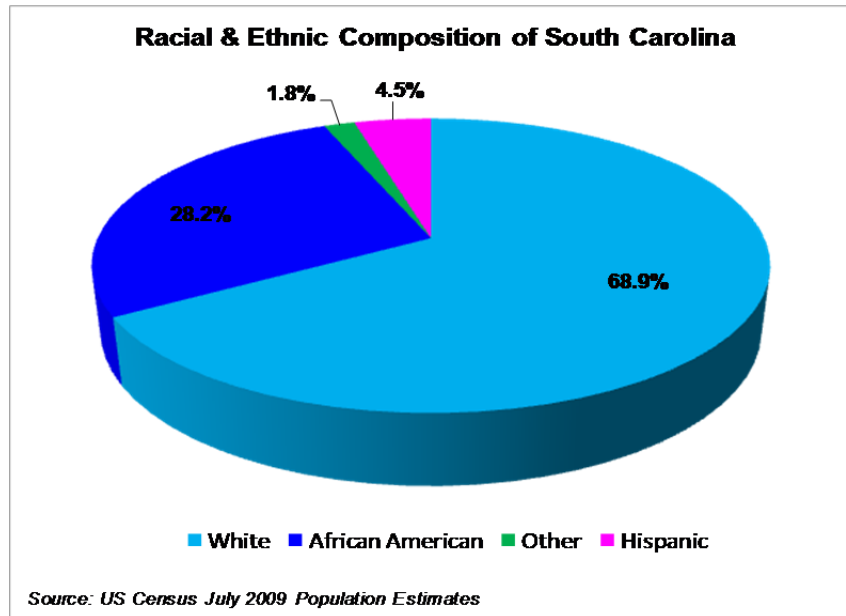
Region	Estimated Population July 1, 2009	% of Total South Carolina Population
Appalachian	1,167,523	26%
Berkeley-Charleston-Dorchester	659,191	14%
Catawba	364,542	8%
Central Midlands	689,736	15%
Lowcountry	238,696	5%
Lower Savannah	308,638	7%
Pee Dee	336,853	7%
Santee-Lynches	217,247	5%
Upper Savannah	219,800	5%
Waccamaw	359,016	8%

Source: US Census July 2009 Population Estimates

RACE AND ETHNICITY

Historically, South Carolina has been approximately two-thirds white (68.9%) and one-third African American (28.2%), with no other racial or ethnic groups representing a significant percentage of the population. Overall distribution of the population is shown in the chart below.

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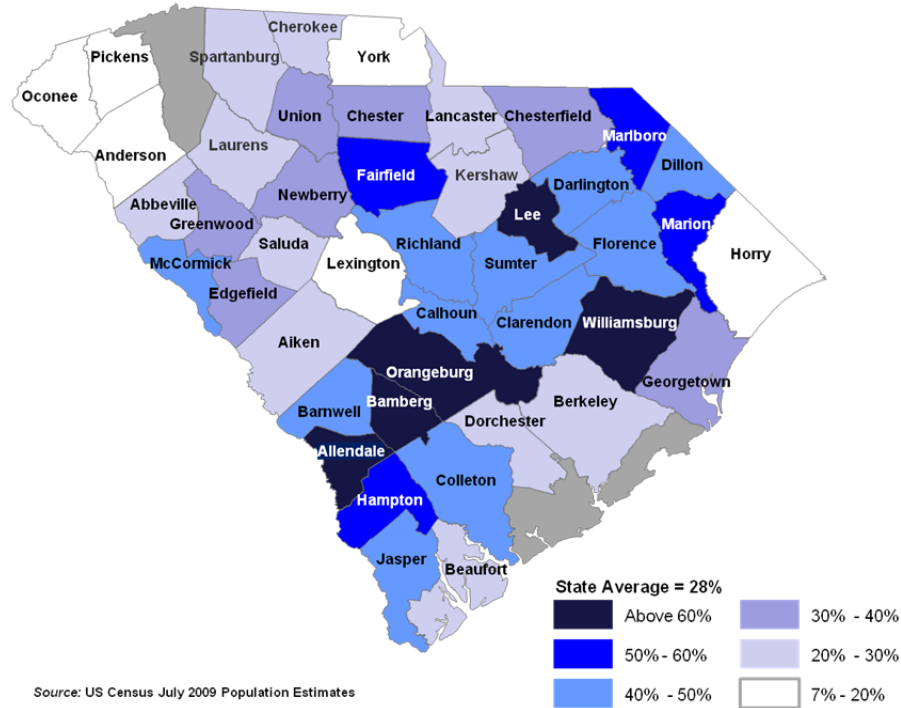
Since the 2000 census, much of the change in South Carolina's population has centered around the additional classifications representing "persons of two or more races," the Asian and Pacific Islander sub-population, which has increased three-fold, and the state's Hispanic population. The latter, at 4.53% of the total population, still lags behind the nation at 15.77% and the Southeast at 12.53%, but is growing fast. The Hispanic population in South Carolina has increased from 33,426 in 1980 to 206,760 in 2009. This is an increase of more than 500 percent.

While the state mirrors the Southeast in terms of racial and ethnic composition, there are five counties in the state where the percentages of African Americans are nearly the inverse of the state as a whole. African Americans represent more than 60% of the population in Allendale (71.4%), Williamsburg (67.2%), Bamberg and Orangeburg (61.9%), and Lee (61.3%). In four other counties, Fairfield (56.6%), Marion (55.0%), Hampton (54.9%) and Marlboro (52.3%), the percentage of the population which is African American is above 50% and approximately twice the statewide percentage. Collectively, these counties reflect the most significant geographic concentrations of this subpopulation, as shown on the map on the following page.

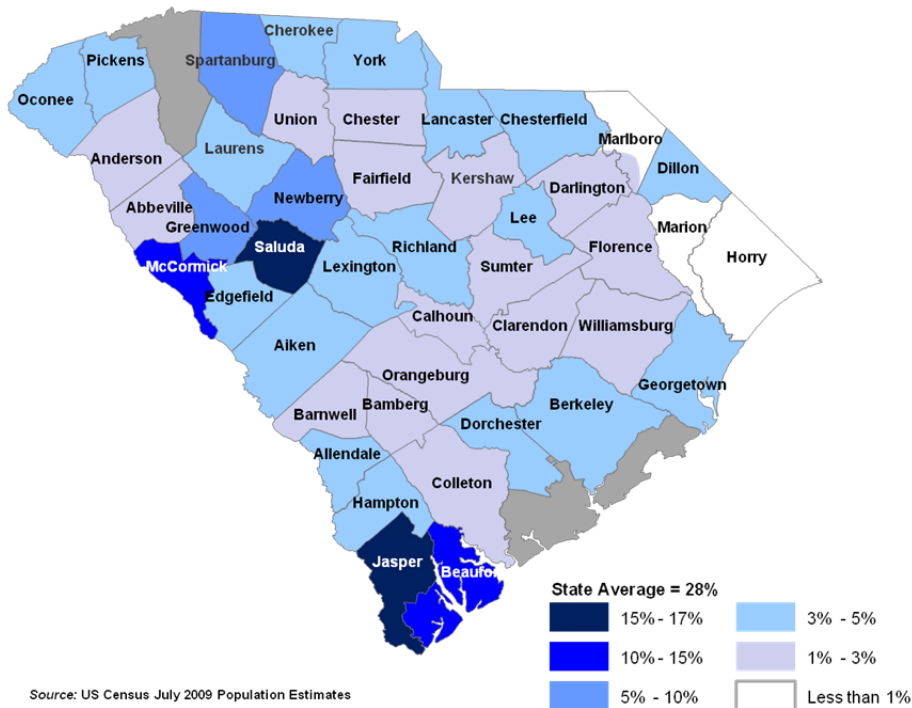
The Hispanic or Latino population is also more concentrated and faster-growing in certain areas of the state. By comparison to the state as a whole, which is 4.5% Hispanic, Saluda County has the heaviest Hispanic population at 16.4%, and Jasper County has the second heaviest at 14.5%. McCormick (12.4%), Beaufort (10.4%), and Newberry (9.9%) round out the top five counties in terms of Hispanic residents. Other counties where the Hispanic population is greater than in the state as a whole are Greenville, Greenwood, Horry and Spartanburg. The second map on the following page highlights areas with the greatest concentration of Hispanic residents.

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African American Population by County in South Carolina
(African American Population as a Percent of Total Population)



Hispanic Population by County in South Carolina
(Hispanic Population as a Percent of Total Population)



PART II — STATE PROFILE

AGE

Age has a significant impact upon the types of services, housing, and programs that communities need.

The following table identifies population size and age group as a percent of the population, showing changes from the 2000 census to the 2009 July population estimate. The biggest changes have been a decrease in young children and middle aged adults and an increase in adults ages 50-64, who are approaching traditional retirement age and seniors.

**South Carolina Population by Age Group and
Change in Population Age Groups
2000 to 2009**

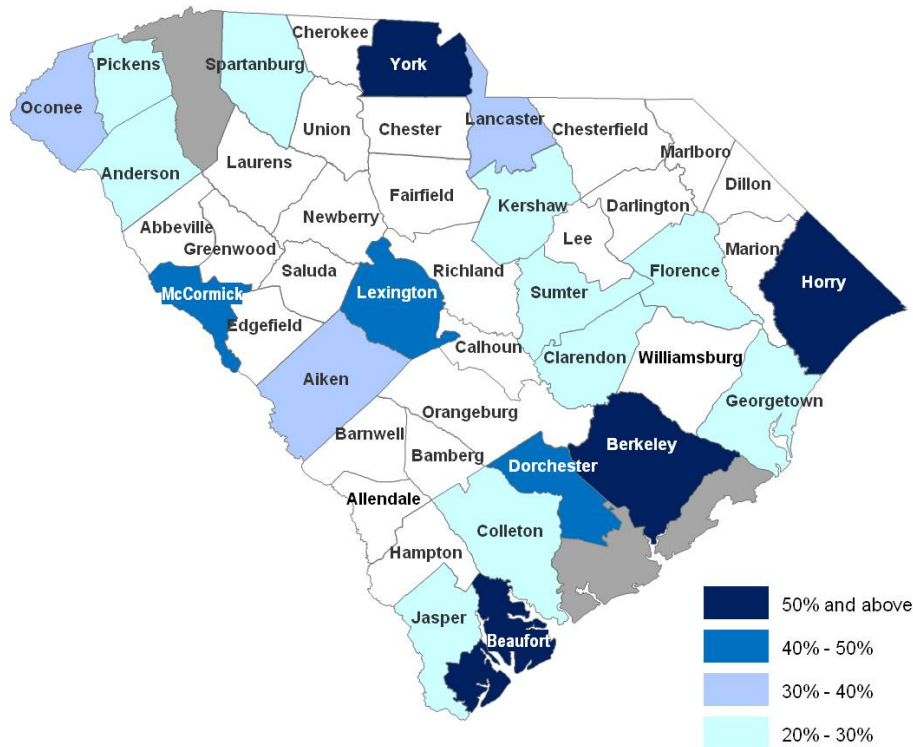
Age Group	2000 Census	% of Total 2000 Population	2009 Population Estimate	% of Total 2009 Population	% Change 2000 - 2009
Children (19 and under)	1,135,778	28.3%	1,218,003	26.7%	7.2%
Young Adult (20 -34)	842,545	21.0%	914,622	20.1%	8.6%
Middle Adult (35-49)	912,902	22.8%	930,438	20.4%	1.9%
Approaching Retirement (50-64)	635,454	15.8%	874,956	19.2%	37.7%
Young Seniors (65-74)	270,048	6.7%	344,348	7.5%	27.5%
Mature Seniors (75-84)	165,016	4.1%	202,231	4.4%	22.6%
Oldest Seniors (85 and older)	50,269	1.3%	76,644	1.7%	52.5%
Total Population	4,012,012	100.0%	4,561,242	100.0%	12.0%

Source: US Census Bureau, 2000 Census and July 2009 Population Estimate

The US Census Bureau refers to the ratio of the number of people 65 and older to the number of traditional working age adults as the dependency ratio. Nationwide, this ratio is projected to climb rapidly from 22 to 1 in 2010 to 35 to 1 in 2030, coinciding with the time period during which the last of the baby boomers will have moved into the 65 and older age category. In South Carolina, the dependency ratio as of July 2009 is estimated at 23 to 1, indicating that South Carolina is on track with the rest of the nation. The significance of the rapid increase in this dependency ratio is that older age adults represent a greater demand for supportive services. Of particular importance is the population age 85 and older, which often requires additional care-giving and support. In South Carolina, this population is currently only 1.7% of the total compared with 14% nationwide. However, while still a small segment of the state population, this group is the fastest growing.

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**Growth Rates of Population Age 65 and Older by County
South Carolina, 2000 to 2009**



Source: US Census July 2009 Population Estimates

SPECIAL POPULATIONS

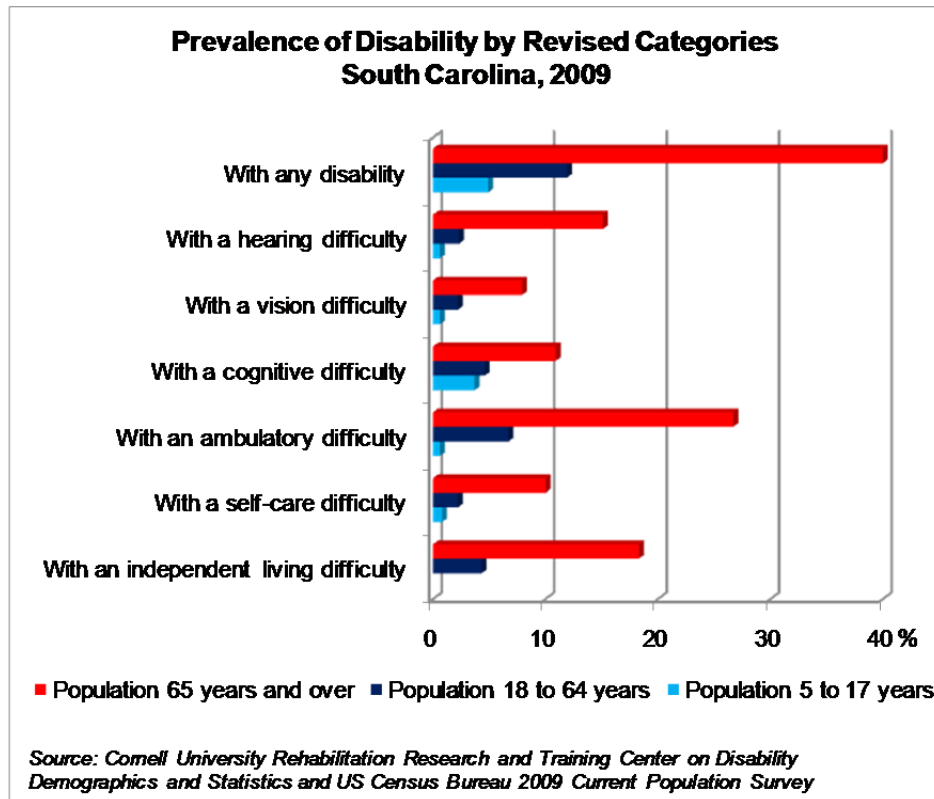
PERSONS WITH DISABILITIES

HUD defines persons with disabilities as those with mental, physical and developmental limitations, plus individuals with HIV/AIDs and their families. At the state level, the best source of detailed information is the American Community Survey (ACS). Disability types for the ACS currently include:

- **Hearing** – deafness or a serious difficulty hearing
- **Vision** - blindness or difficulty seeing even with glasses
- **Cognitive** – any physical, mental or emotional condition which results in difficulty concentrating, remembering or making decisions
- **Ambulatory** – Serious difficulty walking or climbing stairs

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- **Self-care** – Difficulty with tasks like dressing and bathing
- **Independent Living** - any physical, mental or emotional condition which results in difficulty performing errands alone, such as visiting a doctor's office or shopping



According to the most recent 2009 ACS single-year estimate, there were a total of 4.46 million people in the civilian, non-institutionalized population, and of these 13.6% had some type of disability. Of particular note are the 548,642 people age 65 and older, of which 40.0% had one of the disabilities defined above, including 26.7% with an ambulatory difficulty, 10.0% with a self-care difficulty and 18.3% with an independent living difficulty. Hearing, vision and cognitive difficulties accounted for 15.1%, 7.9% and 10.9%, respectively.

According to the 2005-2007 ACS, 17.4% of the population age 5 or older had at least one type of disability, with the majority of people having two or more disabilities and with men being slightly more likely to have a disability than women. A disability is defined for this purpose as any sensory, cognitive or physical or other mobility disability, or any other limitation on daily activity.

The overall 17.4% rate, however, masks variations in the incidence of disability amongst the state's various age groups, which for the purposes of disability are defined as ages 5 to 15 years, between ages 16 and 64, and 65 and older. Amongst the state's youngest age group, only 6.2% of the population has any type of disability and the most common type of disability, affecting 4.9%, is a mental impairment. For the state's working age group, between 16 and 64, the percentage of people having any disability is close to the

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average at 14.8%, and a physical disability is the most common at 9.3%. Notably, 9.2% have a disability that impairs their ability to work. This is typical of persons with disabilities nationwide, and HUD acknowledges this by including disabled individuals in the group that can be presumed to be low to moderate income.

For the oldest age group, those ages 65 and older, the overall percentage of people with any disability rises significantly. Fully 43.7% of the state's older adults are limited by one or more disabilities, including 33.8% with a physical disability and 17.4% with a sensory disability like hearing or vision loss. In this age group, a disability is also much more likely to result in an inability to provide self-care or to be mobile outside the home. The chart below provides a detailed breakdown of the numbers and types of disabilities that affect each age group.

Disability Type and Prevalence in South Carolina

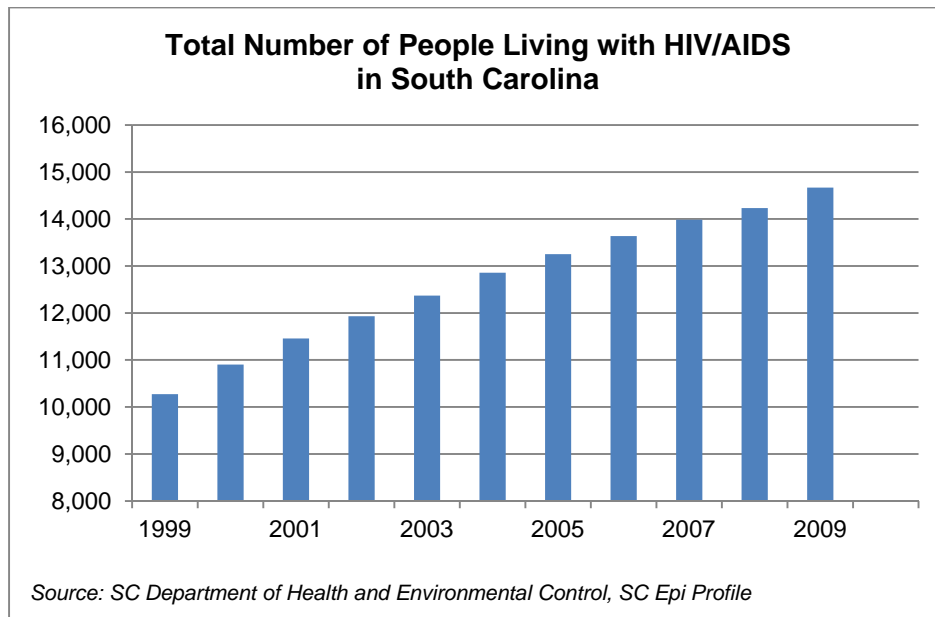
Age Group and Disability	Number	% of Total
Population 5 years and over	3,943,271	100.0
Without any disability	3,257,142	82.6
With one type of disability	287,859	7.3
With two or more types of disabilities	398,270	10.1
Population 5 to 15 years	633,919	100.0
With any disability	39,303	6.2
With a sensory disability	6,973	1.1
With a physical disability	8,241	1.3
With a mental disability	31,062	4.9
With a self-care disability	5,071	0.8
Population 16 to 64 years	2,776,047	100.0
With any disability	410,855	14.8
With a sensory disability	97,162	3.5
With a physical disability	258,172	9.3
With a mental disability	155,459	5.6
With a self-care disability	80,505	2.9
With a go-outside-home disability	116,594	4.2
With an employment disability	255,396	9.2
Population 65 years and over	533,305	100.0
With any disability	233,054	43.7
With a sensory disability	92,795	17.4
With a physical disability	180,257	33.8
With a mental disability	75,196	14.1
With a self-care disability	61,863	11.6
With a go-outside-home disability	103,461	19.4

Source: US Census, American Community Survey 2005-2007 3-Year Estimates

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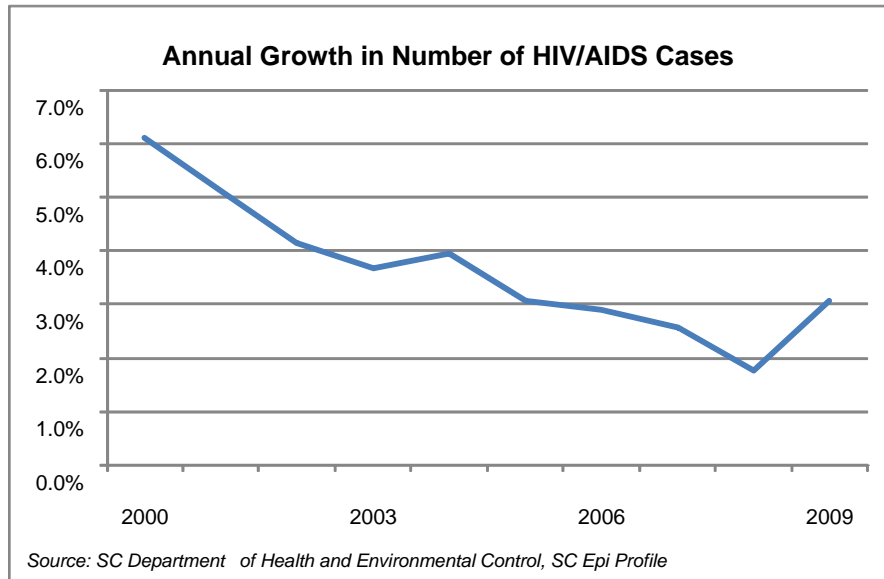
HIV/AIDS POPULATION

As of December 2009, an estimated 14,795 persons in South Carolina are living with HIV (including AIDS, but excluding persons diagnosed in other states and now living in South Carolina). Of these, just over half are living with AIDS, though the number of new cases of AIDS reported in 2009 was down slightly from 2008. Of the 19,195 AIDS cases, just over half, or 10,193, cases are still living and dealing with the complications of AIDS.

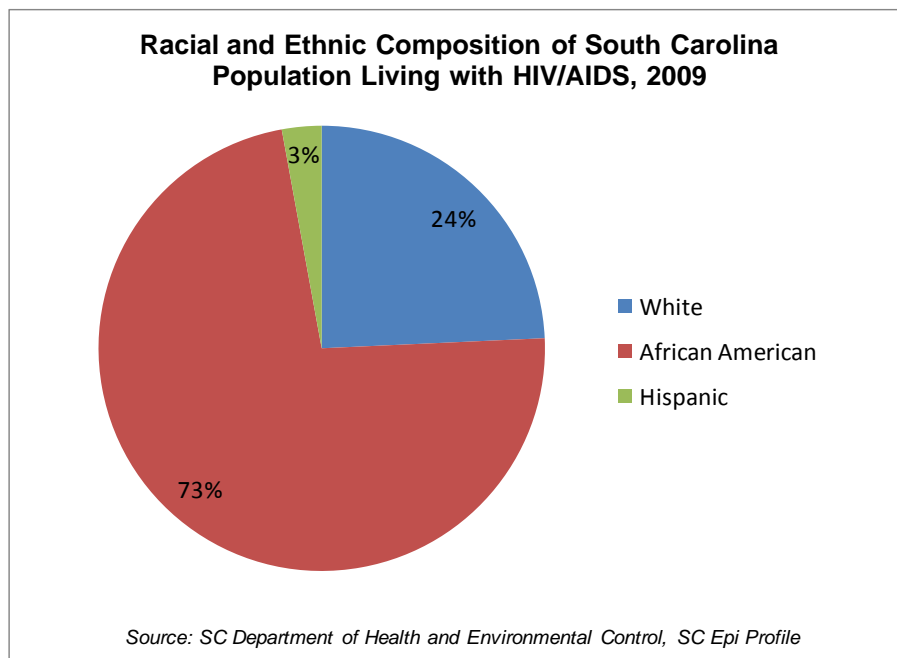


A total of 23,862 HIV/AIDS cases had been reported through December 2009, including 771 cases newly diagnosed during 2009. Excluding Charleston County (2,818 cases) and Richland County (4,563 cases) yields an estimate of 16,481 cases of HIV/AIDS in the HOPWA Program Area through 2009. According to the SC Department of Health and Environmental Control, this is a fairly high rate of occurrence in the population compared with the nation. In its most recent report on the epidemic nationwide, the US Center for Disease Control 2008 HIV Surveillance Report ranked South Carolina tenth in the nation with a 15.5% rate of occurrence per 100,000 in state population.

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Within the total population of people living with HIV/AIDS in South Carolina, there are significant differences among race, gender and age sub-populations. African Americans in particular continue to be disproportionately impacted by the disease and represent nearly three-quarters of all people living with HIV/AIDS since 1999. As of December 2009, people living with HIV/AIDS were 72.9% African American, 24.3% White and 2.9% Hispanic. Despite being a very small segment of the population, Hispanic people living with HIV/AIDS is a growing sub-population, having increased from 133 people (1.3%) in 1999 to 421 (2.9%) in 2009.



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LIMITED ENGLISH PROFICIENCY

One new factor that must be considered in terms of public education and awareness is the percentage of persons with Limited English Language Proficiency (LEP). According to the SC Department of Education, there are more than 33,000 LEP students in South Carolina alone and the population is growing fast. The US Department of Education reports that South Carolina had the largest percentage increase of English as a Second Language (ESOL) students in the nation from 1994 to 2005 at 714.2%, and the Migration Policy Institute (MPI) reports in its *MPI Data Hub Language and Education Fact Sheet for South Carolina* that the number of LEP persons age 5 and older in South Carolina increased 86.8% from 2000 to 2008, based on the 2008 American Community Survey (ACS). Total numbers rose from 48,631 in 2000 to 90,851 in 2008, which compares with a national increase of 25.3% for the same time period. Another telling indicator of LEP growth is the percentage of the state's foreign born population that is LEP. In 1990, 24.8% of foreign-born persons age 5 and older were LEP, and this had increased to 42.7% by 2000 and 47.4% by 2008.

MPI also indicates that 71.2% of children living in households in South Carolina where a language other than English is spoken are English proficient, with the remaining 28.8% being LEP. Rates vary considerably among speakers of certain language groupings, decreasing from 79.3% LEP for children of households that speak Spanish at home, to 50.0% for households that speak Asian and Pacific Island languages and 31.6% for households that speak other Indo-European languages.

Linguistically isolated households are households where all persons age 14 and over are LEP, meaning that no one in the household can serve as a translator and help the family access community services and facilities. According to MPI, 1.7% of all households in South Carolina are linguistically isolated. This information is of particular concern in certain school districts where LEP populations are greatest, as this poses a significant barrier to education, and the SC Department of Education tracks this. Although somewhat dated, the information below provides insight into the geographic distribution of the state's LEP population. School districts with the highest numbers of LEP students are located in both HUD entitlement and non-entitlement areas of the state, as shown in the table below, and are reflective of LEP growth in all areas of the state.

South Carolina School Districts with the Largest Numbers of Limited English Language Proficiency (LEP) Students, 2006-2007 School Year

District	Number of LEP Students	Percentage of Total District Enrollment
Greenville	4,237	6.0%
Beaufort	2,253	11.5%
Charleston	1,622	3.7%
Horry	1,524	4.0%
Berkeley	1,622	4.0%
Richland 2	1,055	4.8%
Spartanburg 6	805	8.0%
Spartanburg 2	765	8.0%
Aiken	695	2.7%
Greenwood 50	609	6.4%
York 3	550	3.2%

Source: South Carolina Department of Education Oversight Committee

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The chart above shows that, in districts where LEP numbers are greatest, LEP students generally represent between 4% and 8% of total district enrollment. LEP percentages in some school districts are higher, including Beaufort with 2,253 LEP students and an LEP percentage of 11.5%, and Saluda School District, with 227 LEP students and an LEP percentage of 10.6%. This generally indicates that the highest numbers of LEP students are in entitlement areas such as Greenville, while some of the highest percentages of LEP students are in non-entitlement areas. This is supported by 2002 population estimates which indicate that the five counties with the highest numbers of Hispanic immigrants Greenville, Beaufort, Richland, Spartanburg and Horry, while the counties with the highest percentage of growth were Laurens, Lee, Saluda, Greenville and Pickens. LEP population growth can be assumed to be occurring in all areas of the state, including both entitlement and non-entitlement.

The National Clearinghouse for English Language Acquisition (NCELA) is another source of information. NCELA reports that LEP enrollment in South Carolina grew 688% between the 95-96 school year the 05-06 school year. Between the 97-98 and 07-08 school year, growth is even more dramatic at 827.8%, as shown below.

**Growth in LEP Enrollment as a Percent of Total Enrollment in South Carolina
1997-1998 School Year through 2007-2008 School Year**

Fiscal Year	Total Enrollment	Growth in Total Enrollment Since 97-98	LEP Enrollment	Growth in LEP Enrollment Since 97-98	Annual Growth in LEP Enrollment
1997-1998	666,485	0%	3,077	0%	-8.8%
1998-1999	669,342	0.4%	3,226	4.8%	4.8%
1999-2000	650,450	-2.4%	5,577	81.2%	81.2%
2000-2001	660,071	-1.0%	7,004	127.6%	25.6%
2001-2002	648,000	-2.8%	6,142	99.6%	-12.3%
2002-2003	659,457	-1.1%	8,239	167.8%	34.1%
2003-2004	676,817	1.6%	12,653	311.2%	53.6%
2004-2005	714,190	7.2%	15,396	400.4%	21.7%
2005-2006	701,544	5.3%	20,013	550.4%	30.0%
2006-2007	703,119	5.5%	20,013	550.4%	0.0%
2007-2008	712,319	6.9%	28,548	827.8%	42.6%

Source: National Clearinghouse for English Language Acquisition

Clearly, the LEP population in South Carolina is growing, and this indicates new challenges to educating the public about Fair Housing laws and regulations.

PER CAPITA INCOME

Per capita income in South Carolina has historically trailed behind the US and the Southeast Region as a whole, consistent with a workforce characterized by lower levels of educational attainment and an economy previously dependent on lower wage manufacturing employment. Economic development strategies for the state have focused on diversifying the economy, attracting higher paying jobs and generating more local employment opportunities with which to attract and retain college graduates and other more highly skilled workers. Despite success in this area, the overall state per capita continues to lag

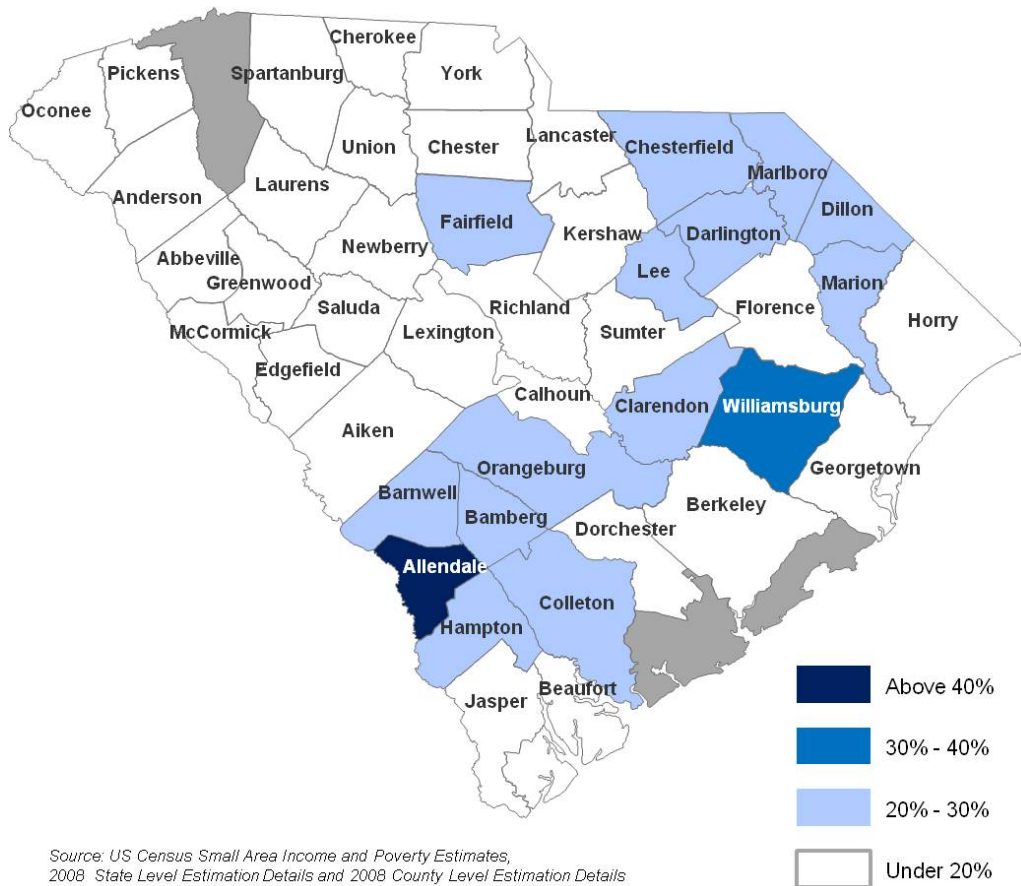
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the region and the nation, and South Carolina ranked 45th in the nation in terms of per capita income in 2009. The state's overall per capita income in 2008 was \$32,495. For state metropolitan areas the per capita income was \$33,371 and the state's non-metropolitan per capita was \$29,667.

POVERTY

In 2008, fifteen of the state's 46 counties had poverty rates in excess of 20 percent, compared with the overall state rate of 15.7 percent. Generally, these are the same counties that had poverty rates over 20 percent in 2005 and ten years prior in 1995, reflecting persistently high unemployment and low income levels in these counties. These highest poverty counties are shown on the map below.

Poverty Rates in South Carolina Counties



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HOUSING PROFILE

HOUSEHOLD CHARACTERISTICS

The most recent estimates of the number and type of households in South Carolina is provided by the American Community Survey three-year estimates, the most recent of which is 2006-2008. More current 2009 estimates for total housing units are available, as is the case for population, but not for households.

According to the ACS data, the South Carolina population is distributed amongst a total of 1.69 million households, with the majority or 67.3% being family households. (Family households are any group of two or more people related by marriage, birth or adoption and living together.) Of the total 1.1 million family households, 71.7% are married couple families and 43.4% are families with children under 18, including married couples with children as well as single parent households.

Households in South Carolina

	2000 Census		2006-2008 ACS Estimate	
	Number	%	Number	%
Total Households				
Family households	1,072,822	69.9%	1,135,830	67.3%
Nonfamily households	461,032	30.1%	550,741	32.7%
Total	1,533,854	100.0%	1,686,571	100.0%
Family Households with Children				
Married couples with children	333,951	67.3%	313,675	63.7%
Male householder, no wife present	30,315	6.1%	32,613	6.6%
Female householder, no husband present	131,010	26.5%	146,443	29.7%
Total Family Households with Children	495,276	100.0	492,731	100.0%
Family Households without Children				
Married-couples without children	449,191	77.8%	500,227	77.8%
Male headed households	32,407	5.6%	38,743	6.0%
Female headed households	95,948	16.6%	104,129	16.2%
Total Family Households without Children	577,546	100.0%	643,099	100.0%
Nonfamily Households	461,032	100.0%	550,741	100.0%

Source: US Census Bureau, 2000 Census and American Community Survey 2006-2008 Three-Year Estimate

The number of households in the state increased 10% since the 2000 census, which is a logical result of population growth. During the same time period, families without children (predominantly married couples) grew slightly faster at 11.4%, and non-family households grew the fastest at 19.5%. Notably, female headed households with children grew faster than the number of households in the state, increasing by 11.8%. This is significant since, on average, this group tends to have lower household income, more obstacles to employment including affordable childcare, greater chance of becoming homeless as a result of domestic violence, greater need for supportive housing in order to emerge from an episode of homelessness, and greater need for affordable housing than most other household types, other than very large families.

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Another significant trend is the decrease in average household size. According to the ACS, the average household size has decreased from 4.0 persons in 1950 to 2.5 in 2008. It is also notable that the number of persons living with other (non-immediate family) relatives increased sharply, growing by 59,469 since the 2000 census. In terms of future growth, the number of households in South Carolina increased by 64 percent between 1980 and 2008, and consistent with the state's growing population, this trend is expected to continue.

HOUSING MARKET

South Carolina's population and housing growth has been largely concentrated in the urban centers and coastal regions. From 2000-2008, owner- and renter-occupied housing units increased by 7 percent and 18 percent, respectively. However, the State has experienced a growing number of housing vacancies. This may be an indication of speculative building of "for sale" units in certain submarkets exacerbated by the downturn in the housing market and economic recession.

South Carolina's future housing demand will be largely determined by ongoing and planned economic development activity that will result in expanded employment opportunities. Employment growth will occur through the retention and expansion of existing firms and new economic growth resulting from start-ups, spin-offs, and relocations to the State. Basically, population growth follows job growth and the demand for housing will be influenced by the location, type and wage levels of the State's future employment growth.

According to the 2006-2008 American Community Survey (ACS), the State of South Carolina has a total housing inventory of 2,018,762 units, which represents a 15 percent increase from 2000. The largest net and percentage increases in the State's inventory are in single-family, detached units (181,736 units/17 percent increase), multi-family units of 5-9 units (22,624 units 29/ percent increase), multi-family units of 10-19 units (21,234 units/51 percent increase) and multi-family units of 20-49 units (14,225 units/63 percent increase).

According to 2006-2008 U.S. Census ACS estimates, there are currently 1,686,571 occupied housing units (84 percent of total units) in the State of South Carolina. Owner-occupied units (1,185,421 units) comprise 59 percent of the State's occupied housing inventory with 501,150 units (25 percent) renter-occupied. Overall vacant housing units increased by 51 percent from 2000-2008 (112,375 housing units). The State's overall vacancy rate is 16 percent.

The large increase in "other" vacancies is generally attributed to housing market conditions brought on by the current economic recession and rise in home foreclosures. Economic conditions have resulted in a significant developer held inventory coupled with the added inventory of residential properties in various stages of home foreclosure.

South Carolina's housing supply is relatively new with 55 percent of the housing built since 1980. However, 28 percent (573,564 units) of the State's housing is now 40 years and older. The older housing stock, and particularly older rental housing, often has code and deferred maintenance issues that can impact the longevity of the housing structure which in turn affects the housing supply in terms of accessibility and affordability.

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HOUSING DEMAND

A basic premise of all housing markets is there must exist a spectrum of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors, including: employment mix, household income, population age, proximity of employment and preference. A spectrum of rental housing choice and opportunity is particularly important as rental housing can accommodate an assortment of individual and household needs.

Local housing and labor markets are inextricably linked to one another. Industries are served by local housing markets that provide choices and opportunities for both current and future workers. The level of affordable housing demand is largely determined by job growth and retention. Employment growth will occur through the retention and expansion of existing firms and new economic growth resulting from start-ups, spin-offs, and relocations to the State of South Carolina. The affordability component of housing demand, however, is based on local wages and salaries that are then translated into household incomes. Therefore, the availability of an existing supply of various housing types and price levels must be maintained to address the housing demand of the variety of occupations that comprise the local industrial base.

Given the State's projected rate of growth, the demand for housing will continue to be strong over the coming five years, especially as the nation moves out of the current recession. The table below provides population growth figures for the State and each of the counties over the period 2010 to 2015, and the resulting projected growth in households. The South Carolina Budget and Control Board expects South Carolina to increase by 231,150 persons, a 5.2 percent increase. The average household size in South Carolina is 2.5 persons and the average family size is slightly over three persons. Using three persons as the norm, this population increase results in the formation of 77,050 new households, and the need for over 77,000 housing units, over the five-year period. Much of this growth is expected along the coast, and in and around the existing urban centers. Four rural counties are expected to lose population, and growth in many of the other rural counties will be modest according to these projections. The following table shows the projected growth over the period, the percent of change and the number of new households.

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Population and New Households Projection, 2010-2015, South Carolina

County	July 1, 2010 Projection	July 1, 2011 Projection	July 1, 2012 Projection	July 1, 2013 Projection	July 1, 2014 Projection	July 1, 2015 Projection	% Change	# new HH @ 3 per HH
Abbeville	26,990	27,150	27,320	27,490	27,660	27,840	3.1%	283
Aiken	160,020	161,980	163,940	165,900	167,870	169,820	6.1%	3,267
Allendale	11,050	11,070	11,100	11,130	11,160	11,180	1.2%	43
Anderson	183,860	185,530	187,190	188,850	190,520	192,190	4.5%	2,777
Bamberg	15,500	15,420	15,340	15,270	15,190	15,110	-2.5%	-130
Barnwell	24,340	24,550	24,750	24,950	25,150	25,350	4.1%	337
Beaufort	152,020	154,850	157,700	160,530	163,370	166,210	9.3%	4,730
Berkeley	162,370	164,480	166,600	168,710	170,820	172,940	6.5%	3,523
Calhoun	15,870	16,020	16,170	16,320	16,470	16,630	4.8%	253
Charleston	339,140	340,900	342,650	344,400	346,160	347,910	2.6%	2,923
Cherokee	56,890	57,500	58,100	58,720	59,330	59,930	5.3%	1,013
Chester	34,070	34,230	34,400	34,570	34,740	34,910	2.5%	280
Chesterfield	44,650	44,890	45,130	45,380	45,630	45,870	2.7%	407
Clarendon	34,720	34,990	35,260	35,520	35,790	36,060	3.9%	447
Colleton	41,280	41,610	41,950	42,280	42,610	42,940	4.0%	553
Darlington	68,670	68,940	69,200	69,470	69,750	70,010	2.0%	447
Dillon	31,040	31,050	31,060	31,090	31,100	31,110	0.2%	23
Dorchester	122,170	124,030	125,910	127,780	129,660	131,530	7.7%	3,120
Edgefield	27,440	27,820	28,210	28,590	28,980	29,360	7.0%	640
Fairfield	24,800	24,930	25,080	25,240	25,390	25,540	3.0%	247
Florence	135,550	136,420	137,300	138,190	139,070	139,940	3.2%	1,463
Georgetown	64,620	65,340	66,080	66,800	67,530	68,250	5.6%	1,210
Greenville	431,630	436,470	441,310	446,160	450,990	455,840	5.6%	8,070
Greenwood	70,540	71,060	71,560	72,080	72,590	73,100	3.6%	853
Hampton	22,190	22,370	22,530	22,710	22,870	23,050	3.9%	287
Horry	251,390	256,260	261,140	266,010	270,880	275,760	9.7%	8,123
Jasper	23,060	23,390	23,700	24,030	24,360	24,680	7.0%	540
Kershaw	60,140	60,880	61,610	62,340	63,060	63,800	6.1%	1,220
Lancaster	65,250	65,660	66,060	66,480	66,890	67,300	3.1%	683
Laurens	74,540	75,390	76,240	77,070	77,930	78,770	5.7%	1,410
Lee	21,110	21,200	21,300	21,390	21,490	21,580	2.2%	157
Lexington	254,920	258,860	262,790	266,740	270,670	274,610	7.7%	6,563
McCormick	10,700	10,810	10,940	11,040	11,170	11,280	5.4%	193
Marion	35,350	35,440	35,530	35,620	35,710	35,790	1.2%	147
Marlboro	27,390	27,260	27,130	27,010	26,880	26,750	-2.3%	-213
Newberry	38,510	38,760	39,010	39,270	39,520	39,770	3.3%	420
Oconee	74,060	74,950	75,850	76,750	77,650	78,540	6.0%	1,493
Orangeburg	94,740	95,250	95,770	96,280	96,790	97,300	2.7%	853
Pickens	121,290	122,830	124,370	125,920	127,450	129,000	6.4%	2,570
Richland	354,380	357,220	360,050	362,900	365,740	368,580	4.0%	4,733
Saluda	19,570	19,700	19,830	19,970	20,110	20,250	3.5%	227
Spartanburg	280,000	282,640	285,270	287,910	290,550	293,180	4.7%	4,393
Sumter	109,370	110,140	110,900	111,680	112,440	113,210	3.5%	1,280
Union	28,310	28,260	28,210	28,170	28,130	28,080	-0.8%	-77
Williamsburg	35,260	35,240	35,210	35,190	35,160	35,130	-0.4%	-43
York	205,980	209,160	212,350	215,530	218,730	221,910	7.7%	5,310
South Carolina	4,486,740	4,532,900	4,579,100	4,625,430	4,671,710	4,717,890	5.2%	77,050

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HOUSING AFFORDABILITY

Housing affordability is defined as housing costs that do not exceed 30 percent of a household's monthly gross income. Given the current restrictive lending underwriting criteria that generally requires a minimum 20 percent down payment and FICO scores (credit scoring model) of 800 or greater, a conservative affordability computation was utilized that limits an affordable home purchase at a 3:1 median home value-to-median household income ratio. Debt ratios are not factored into the housing affordability calculations.

Single-Family Home Affordability South Carolina, 2010

Household Income Category	Income Range	Affordable Home Purchase	Gap/Surplus
Extremely Low Income <30 percent of median	Less than \$13,398	\$40,194	\$114,806
Very Low Income 30-50 percent of median	\$13,399-\$22,163	\$40,197-\$66,489	\$114,803-\$88,511
Other Low Income 50-80 percent of median	\$22,164-\$35,461	\$66,492-\$106,383	\$88,508-\$48,617

Source: U.S. Census, 2006-2008 American Community Survey

The percentage of South Carolina's extremely low (ELI) and very low (VLI) income renter households that are cost-burdened is substantial. A rent affordability analysis based on the current \$676 median monthly gross rent estimate from the 2006-2008 ACS found significant rent affordability "gaps" at the extremely low and very low household income categories. However, rent affordability gaps also exist within the other low-income (OLI) household category as well. The percentages are particularly high for all renter households earning less than \$20,000 annually. This constitutes 130,937 renter households or 26 percent of the State's total renter households.

Rent Affordability State of South Carolina, 2010

Household Income Category	Income Range	Affordable Monthly Gross Rent	Gap/Surplus
Extremely Low Income	Less than \$13,398	\$335	\$341
Very Low Income	\$13,399-\$22,163	\$336-\$554	\$340-\$122
Other Low Income	\$22,164-\$35,461	\$555-\$886	\$121-\$210

Source: U.S. Census, 2006-2008 American Community Survey

According to 2006-2008 ACS estimates, South Carolina's housing costs have increased significantly from 2000-2008. Currently, 29 percent of the State's households are now paying in excess of 30 percent of their incomes on housing costs. Owner and renter households earning less than \$20,000 annually are particularly "cost-burdened." According to 2006-2008 ACS estimates, 64 percent of owner households

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(109,340 households) and 87 percent of renter households (130,937 households) earning less than \$20,000 are cost-burdened.

Housing Costs as Percentage of Household Income State of South Carolina, 2008

	Total Households	Owner-Occupied Households	Renter-Occupied Households
TOTAL	1,686,571	1,185,421	501,150
Less than \$20,000:	320,421	169,803	150,618
Less than 20 percent	36,995	31,463	5,532
20 to 29 percent	43,149	29,000	14,149
30 percent or more	240,277	109,340	130,937
Percent cost-burdened	75%	64%	87%
\$20,000 to \$34,999:	294,190	189,248	104,942
Less than 20 percent	91,055	78,419	12,636
20 to 29 percent	73,237	35,599	37,638
30 percent or more	128,898	75,230	54,668
Percent cost-burdened	44%	40%	52%
\$35,000 to \$49,999	250,646	176,272	74,374
Less than 20 percent	110,322	82,106	28,216
20 to 29 percent	79,872	44,911	34,961
30 percent or more	60,452	49,255	11,197
Percent cost-burdened	24%	28%	15%
\$50,000 to \$74,999	307,561	246,535	61,026
Less than 20 percent	178,445	137,374	41,071
20 to 29 percent	89,035	72,500	16,535
30 percent or more	40,031	36,611	3,420
Percent cost-burdened	13%	15%	6%
\$75,000 or more	435,262	394,102	41,160
Less than 20 percent	335,327	298,923	36,404
20 to 29 percent	75,927	72,222	3,705
30 percent or more	24,008	22,957	1,051
Percent cost-burdened	6%	6%	3%

Source: U.S. Census, 2006-2008 American Community Survey

HOUSING NEEDS

Based on an analysis of current demographic data, trends in South Carolina and the condition of the state's housing market, the state has developed a projection of housing needs for the Consolidated Planning period.

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Housing Needs by Household Type

Household Type	Elderly Renter	Small Renter	Large Renter	Other Renter	Total Renter	Owner	Total
0 –30% of MFI	23,033	42,917	9,381	43,306	118,696	86,118	204,755
% Any housing problem	59.4	71.5	84.5	67.2	70.0	73.8	71.6
% Cost burden > 30	55.6	68.3	70.3	65.7	34.2	28.3	31.8
% Cost Burden > 50	37.8	52.7	50.8	55.5	57.6	54.3	56.2
31 - 50% of MFI	18,062	36,173	7,637	25,082	86,954	110,795	197,749
% Any housing problem	55.3	58.3	72.4	72.1	70.9	52.7	60.7
% Cost burden > 30	47.5	54.4	44.1	70.9	44.1	25.8	33.9
% Cost Burden > 50	17.6	13.3	6.7	24.9	24.7	25.3	25.1
51 - 80% of MFI	12,758	45,198	10,015	36,149	104,120	171,844	275,964
% Any housing problem	40.4	25.8	47.7	35.6	38.7	38.3	38.4
% Cost burden > 30	30.6	21.0	11.2	33.3	31.9	26.3	28.4
% Cost Burden > 50	8.2	1.5	0.8	3.0	3.6	10.4	7.8

Source: HUD 2009 CHAS Data and HUD 2000 CHAS Data

Summary of South Carolina Households by Income Category (Median SC Household Income = \$44,326)

Household Income Category	Estimated Number of Households	Estimated % of Total Households
Extremely Low Income <30 percent of median (<\$13,398)	233,206	14%
Very Low Income 30-50 percent of median (\$13,399-\$22,163)	184,064	11%
Other Low Income 51-80 percent of median (\$22,164-\$35,461)	273,341	16%
Total Low Income Households 0-80 percent of median (\$0-\$35,461)	690,611	41%
Total South Carolina Households	1,686,571	100%

Source: U.S. Census, 2006-2008 American Community Survey

HOUSING NEEDS BY TENURE AND INCOME

Housing needs by tenure refers to the needs by homeowners and renters, by HUD income category, defined as extremely low (0-30% of AMI), low (30-50% AMI), moderate (50-80% AMI) and middle income (80-120% AMI) families. For the purposes of this Consolidated Plan, the first three groups, with incomes ranging from 0 to 80% AMI, are considered to be “low to moderate income” (LMI).

LOW INCOME HOUSEHOLDS

Assuming that these percentages of low-income households remain constant over the coming five-years, South Carolina will require 31,590 housing units for low-income households. Almost 10,800 of these will be for extremely low-income households, and it is reasonable to assume that these would be rental units. Low-income households in the 51 to 80 percent of AMI group will require an additional 12,328 units in a mix of rental and affordable ownership units.

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EXTREMELY LOW INCOME HOUSEHOLDS

Extremely low-income (ELI) households (<30 percent of median household income) comprise 233,206 households or 14 percent of the State's total households. The ELI household category is comprised of both owner and renter households. This income group has limited options in the current homebuyer and renter markets. Households earning less than \$13,398 annually have "affordability gaps" of \$114,806 and greater for home purchase based on the current median single-family home price and \$340 and greater based on the current gross monthly median rent. ELI renter households without public subsidy are generally cost-burdened.

VERY LOW INCOME HOUSEHOLDS

Very low-income (VLI) households (30-50 percent of median household income) comprise 184,064 households or 11 percent of the State's total households. The VLI household category is comprised of both owners and renters, but represents an increasingly larger share of owners than the ELI household category. Households earning \$13,399-\$22,163 annually have "affordability gaps" of \$114,803-\$88,511 for home purchase based on the current median single-family home price and \$340-\$122 based on the current monthly gross median rent. ELI renter households without public subsidy are generally cost-burdened.

OTHER LOW INCOME HOUSEHOLDS

Other low-income (OLI) households (51-80 percent of median household income) comprise 273,341 households or 16 percent of the State's total households. The OLI household income group is comprised of a much larger share of owners than the VLI and ELI household categories. Households earning \$22,164-\$35,461 annually have "affordability gaps" of \$88,508-\$48,617 for home purchase based on the current median single-family home price and \$121 and less based on the current monthly gross median rent. ELI renter households earning less than \$25,000 annually and without public subsidy are generally cost-burdened.

DISPROPORTIONATE HOUSING NEEDS

Within the above income and other need categories, it is also important to identify any particular race or ethnic categories which demonstrate disproportionately high needs. HUD defines disproportionate need as existing when "the percentage of persons in a category of need who are members of a particular race or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole."

An analysis of the CHAS data recently made available by HUD reveals that African American households are disproportionately more likely to have housing problems. The CHAS data shows that there are 1,632,515 owner and renter households at all income levels in the state. Of these, 428,576 or 26.3 percent are African American households. Thirty-six and one half percent of African American owner and renter households at all income levels reported some type of housing problem according to this data set. This figure is slightly above the ten percent figure stated in the definition of disproportionate need. However, there are 372,750 low-income households in the state and 155,070 low-income African American households, or 41.3 percent of African American households, reported housing problems, a figure well above their percentage of the population as a whole. No other racial or ethnic group evidences a disproportionate need.

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SPECIAL NEEDS HOUSING

There are several groups of persons who have special housing needs due to various characteristics and conditions:

- Elderly and extra-elderly (frail elderly) adults
- Persons with a developmental, physical or mental disability
- Persons with HIV/AIDS

ISSUES OF COMMON CONCERN

These groups face similar obstacles including: limited income, independent living arrangements, need for social services, isolation, and transportation issues.

LIMITED ENGLISH PROFICIENCY

As noted above, the LEP population in South Carolina is growing, and there are housing concerns with those people who cannot speak the English language proficiently, such as not being able to read or understand rental agreements, discuss rental or housing needs with owners, lenders, and leasing agents, or reading and understanding rental policies or mortgage terms.

PART III – FAIR HOUSING COORDINATION AND RESOURCES

This section describes the various fair housing related entities in South Carolina, the roles each play in terms of outreach, and the various resources available to the state and other fair housing providers.

STATE AGENCIES INVOLVED IN FAIR HOUSING

The primary state agency in South Carolina that focuses on fair housing is the South Carolina Human Affairs Commission. However, as a result of the mortgage foreclosure crisis and heightened attention on subprime lending and mortgage fraud, the South Carolina Department of Consumer Affairs and its mission are increasingly focused on Fair Housing issues as well, particularly as they relate to lending and other private sector and consumer outreach concerns. The Department of Consumer Affairs also now plays an important role in regulating mortgage brokers, managing the more rigid requirements for licensing and reporting under the SC Mortgage Lending Act.

Beyond these agencies specifically tasked with Fair Housing related activities, the federal Fair Housing Act coupled with the state law extend the obligation to affirmatively further fair housing to all housing and housing related activities in the state, and there are numerous public agencies and commissions involved in housing. These include the state's Consolidated Plan partner agencies: the South Carolina Department of Commerce which administers the CDBG Program, the State Housing Finance and Development Authority (SHFDA) which administers the HOME Program, the Governor's Office of Economic Opportunity (OEO) which administers the Emergency Shelter Grant Program, and the Department of Health and Environmental Control (DHEC) which administers the Housing Opportunities for Persons with AIDS or HOPWA Program. However, a wide variety of other state agencies are involved in housing. These include the SCHAC, the Governor's Office Division on Aging and the Departments of Disabilities and Special Needs (DDSN), Labor, Licensing and Regulations (LLR), Mental Health (DMH), Insurance (DOI) and Consumer Affairs (DCA). Also involved in housing are the State Housing Trust Fund Advisory Committee, Affordable Housing Coalition of South Carolina, South Carolina Council on Homelessness, Lowcountry Housing Trust and a number of regional HOME Consortiums.

SC HUMAN AFFAIRS COMMISSION

The South Carolina Fair Housing Law was enacted in 1989 and gave the jurisdiction to investigate fair housing complaints in the state to the South Carolina Human Affairs Commission (SCHAC). The mission of the SCHAC, however, is focused on all types of unlawful discrimination in, particularly in employment on the basis of race, color, national origin, religion, sex, age and disability; in housing on the basis of race, color, national origin, religion, sex, familial status and disability; and in public accommodations on the basis of race, color, national origin and religion. The primary activities of SCHAC include investigating and attempting to resolve charges of discrimination under the South Carolina Human Affairs Law and the Equal Enjoyment and Privileges to Public Accommodations Act, monitoring employment practices and affirmative action efforts of state government agencies and providing training and technical assistance to employers and others seeking to comply with these two laws. SCHAC also investigates all complaints under the South Carolina Fair Housing Law. This broader mission, and in particular the agency's

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investigatory and enforcement role, fully engages the SCHAC. It is also the agency designated by HUD to enforce the South Carolina Fair Housing Law.

In keeping with its mission, the SCHAC has undertaken outreach and educational activities engaging the general public, non-profit organizations, local governments, as well as the housing, finance, and real estate industries. Following is a summary of outreach and training conducted between 2006 and 2010.

Fair Housing Training and Outreach Conducted by the South Carolina Human Affairs Commission (2006 – 2010)

2006

Type of event	Location	Number reached
Article	South Carolina Education Association	10,800
Article	Francis Burns United Methodist Church – Burns Connection newsletter	500
Article	Carolina Panorama – Richland County	10,600
Training	Ashville, NC Association of Housing Counselors	50
Training	Society for Human Resource Management – Columbia	50
Training	Harris Brown Management Company – Hilton Head	60
Training	Northeastern Corridor of Orangeburg Community Development Corporation (NCO CDC) – training for home buyers	25
Training	Berkeley County Trident Realtors group	20
Training	Spartanburg Community Relations Council (landlord tenant issues)	2
Training	Harris Brown Management – Florence – training for maintenance workers	4
Outreach	Midlands Technical College – discussion of enforcement programs	

2007

Type of event	Location	Number reached
Outreach	Columbia High School	
Training	Columbia apartment managers and housing providers	50
Outreach	Greater Columbia Community Relations Council – coalition assistance in obtaining a FHIP grant	50
Outreach	CA Johnson High School (6 separate events) – Distributed flyers, brochures, pencils rulers and key chains to parents and teachers)	700
Training	Harris Brown Management – Florence – training to housing providers	
Training	SC Bankers Association – Role of South Carolina Human Affairs Commission relative to fair housing	100
Training	Spartanburg Association of Realtors – Fair Housing Month	15
Outreach	South University - Role of South Carolina Human Affairs Commission relative to fair housing	
Outreach	Black Expo – How complaints are filed	10,000
Outreach	Midlands Chapter of Charmetts, Inc. – Role of Commission relative to fair housing	100
Outreach	USC Institute for Public Service & Public Policy	20
Training	Beaufort County Council – trends in fair housing, especially undocumented worker and their relationship to fair housing	30
Training	Spartanburg Board of Realtors – Fair housing training	
Outreach	Carver Lyons Elementary School	200
Training	Watkins Nance Elementary	220
Training	Greater Columbia Association of Realtors	
Training	Harris Brown Management – Site managers and maintenance workers	
Outreach	North Charleston City Hall – Discussion of National Community Reinvestment Coalition (NCRC) by various stakeholders	65

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Type of event	Location	Number reached
Training	Thomas Sumter Academy – Sumter – Fair Housing laws	100
Training	US Civil Rights Commission, Southern Regional Office –Columbia – Fair housing laws and the rights of citizens	15
Training	Northeastern Corridor of Orangeburg Community Development Corporation (NCO CDC)	25
Training	Greater Columbia Community Relations Council – training for people seeking to buy homes	25
Outreach	Annual Fireman's Banquet – Lake City – Fair housing laws	100
Training	Harris Brown Management – Laurinburg, NC (Workers in North and South Carolina)	15
Outreach	MLK Breakfast- Myrtle Beach, SC – Fair housing law	100

2008

Type of event	Location	Number reached
Training	Greater Florence Chamber of Commerce – Responsibilities of Business community under the fair housing law	100
Training	Institute for Public Service & Policy Research, USC – Foundation and operation of state and federal fair housing laws	20
Outreach	Francis Marion University – Leadership Institute for Non Profit Organizations – Benefits and rights of fair housing laws	75
Training	SC Bankers' Association – Columbia – update of fair housing laws and case law	100
Training	Charleston Trident Association of Realtors – training for apartment workers	35
Training	Orangeburg Board of Realtors – History of Fair Housing Act and investigative process	60
Training	Northeastern Corridor of Orangeburg Community Development Corporation (NCO CDC)	45
Outreach	WSPX 94.5 FM – Orangeburg – information about fair housing	
Outreach	Eau Claire Community of City of Columbia – history of Fair Housing Act	60
Training	Southeastern Affordable Housing Management Association (SAHMA) – apartment managers and providers – training about the investigative process	150
	Original Gullah Festival – Beaufort – overview of federal and state laws	10
Outreach	Black Expo – distributed information about fair housing	10,000-15,000
Outreach	Midlands Tech – training for college bound high school students	25
Training	Northeastern Corridor of Orangeburg Community Development Corporation (NCO CDC)	7
Training	Harris Brown Management – property managers	62

2009

Type of event	Location	Number reached
Training	Charleston Trident Association of Realtors – property managers and realtors- the investigative process	50
	Hilton Head Area Association of Realtors	50
Training	York County – fair housing law	
Training	SC Bankers Association – 2009 Human Resources Conference- training on fair housing	100
Training	Lee County Council on Aging- fair housing	100
Training	United Way Association of Columbia – training on fair housing	20
Training	Northeastern Corridor of Orangeburg Community Development Corporation (NCO CDC) - training for homebuyers	20
Training	Charleston Trident Association of Realtors – realtors and property managers	50
Training	Property Management Association – Dillon	40

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2010

Type of event	Location	Number reached
Training	Governor's Office for Emergency Shelter Grants – training on fair housing law	10
Training	Richland County Community Development – training for recipients of housing grants	20
Training	Northeastern Corridor of Orangeburg Community Development Corporation (NCO CDC)	20
Outreach	USC Honors College	
	USC – Brenner House – diversity meeting	
Outreach	Berkeley County Chamber of Commerce Breakfast of Champions	
Outreach	South Carolina Christian Action Council	

SC DEPARTMENT OF CONSUMER AFFAIRS

The South Carolina Department of Consumer Affairs, or SCDCA, is the agency responsible for enforcing the State's laws against predatory lending, including practices such as flipping loans, excessive pre-payment penalties, balloon payments, and other abusive loan practices.

The SCDCA utilizes workshops, speeches, and media presentations to provide consumer education assistance to a wide cross-section of South Carolina. The Department's educational activities continue to focus on a theme of "preventative consumerism" on such subjects as how to avoid frauds and schemes, healthy skepticism, effective consumer practices in handling consumer transactions, coping with marketplace practices, and communicating in the resolution of complaints and problems arising out of consumer purchases of goods and services. Educational programs are directed towards students and teachers K-12 and college levels as well as health institutions, churches, educational programs, senior citizens groups, etc.

A recent SCDCA report announced the launch of the South Carolina Mortgage Log System (SCMLS), in partnership with the Carolina Board of Financial Institutions (BOFI), as part of the State's effort to combat mortgage fraud and discrimination. This initiative is geared toward targeting unethical business practices and removing bad players from the marketplace. State law requires mortgage brokers and lenders to maintain a log containing specific mortgage loan data, including the credit score of the borrower, type of mortgage loan, and loan percentage rate. The SCMLS website will enable the efficient and secure submission of this data to SCDCA and BOFI for review. SCDCA aims to protect consumers from inequities in the marketplace through advocacy, complaint mediation, enforcement and education.

OTHER STATE AGENCIES

In addition to the South Carolina Human Affairs Commission and the South Carolina Department of Consumer Affairs, a number of other State agencies are involved in housing and deal with fair housing issues. These include:

SC DEPARTMENT OF COMMERCE

Housed within the South Carolina Department of Commerce, the Grants Administration Division administers community and economic development grant programs for local governments throughout the

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State. Grants Administration develops methods and selection criteria for the distribution of the State's annual allocation of CDBG funds to local governments in non-entitlement metropolitan (suburban) and nonmetropolitan (rural) areas of South Carolina. It is also responsible for coordinating the development of the Consolidated Plan with other State agencies. Another division within the Department of Commerce that addresses community/economic development includes the Division of Community and Rural Planning and Development. The Department of Commerce improves communities by helping them locate new and expanding industry and creating employment opportunities for local residents, including low and moderate-income persons.

GOVERNOR'S OFFICE OF ECONOMIC OPPORTUNITY

The Governor's Office of Economic Opportunity, or OEO, is a division of the Governor's Office of Executive Policy and Programs responsible for administering the Emergency Shelter Grants Programs (ESGP). OEO also administers the Community Services Block Grant (CSBG) Program and Low Income Home Energy Assistance Program (LIHEAP) utilizing the direct service delivery capability of South Carolina's network of Community Action Agencies (CAA).

SC STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

The SC State Housing Finance and Development Authority was created in 1971 and has the power to investigate housing conditions, acquire, own, and lease property, construct, rehabilitate and operate housing developments, and aid in planning and constructing housing for low income persons. The Authority is a public body and an independent agency of State Government. For more than thirty-five years, the Authority has been helping lower income families, the elderly, persons with disabilities, and others who are frequently underserved find quality, safe, and affordable housing. Its major programs include:

- Home Investment Partnerships Program (HOME),
- South Carolina Housing Trust Fund (HTF),
- Section 8 Rental Assistance Programs (8 Rural Counties),
- Contract Administration Rental Assistance Programs (272 projects approximately 16,000 units)
- Mortgage Revenue Bond (MRB) Program (Homeownership),
- Low Income Housing Tax Credit (LIHTC) Program-(IRS), and
- Multi-Family Bond Finance Program (Rental Housing Development).

SC DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

The South Carolina Department of Health and Environmental Control, or DHEC, provides a range of personal health, environmental safety and assessment services. DHEC also regulates public utilities to identify areas with serious water/ sewer health hazards, contaminated wells, and helps determine which public systems serve low and moderate-income populations.

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DHEC has a number of departments, which are grouped under two major services divisions - Environmental Quality Control and Health Services. DHEC's services most closely linked to the housing and human service needs of low-income individuals and families are its Lead Based Paint screening and treatment services, water and sewer testing and the programs and services provided by the STD/HIV Division. Although the STD/HIV Division provides services to persons with HIV/AIDS, one of their major concerns is the promotion of health through prevention programs. DHEC also provides information and referral services related to child immunization, disease surveillance, and environmental toxins.

DHEC's STD/HIV Division administers the following major programs:

- HOPWA,
- Ryan White Care Act, Title II, and
- Publication of the South Carolina HIV/AIDS Surveillance Report.

SC LIEUTENANT GOVERNOR'S OFFICE ON AGING

The South Carolina Lieutenant Governor's Office on Aging administers federal funds received through the federal Older Americans Act. The Office works with a network of regional and local organizations to develop and manage programs and services to improve the quality of life of South Carolina's older citizens, and to help them remain independent in their homes and communities. The Office aids 34,000 older adults annually who have the greatest social, economic and health needs, and rural and low-income minority elders. The Office on Aging has primary responsibility for planning and research related to basic human needs of the elderly in South Carolina.

SC DEPARTMENT OF SOCIAL SERVICES

The South Carolina Department of Social Services, or DSS, provides services to low income South Carolinians, both children and adults, who are in need of protection. DSS is an agency of 3,600 employees who serve their clients in a wide array of programs. The programs include Family Independence, food stamps, child support, child and adult protective services, adoption, foster care and other out of home services. The goal of DSS is to ensure the health and safety of children and adults who cannot protect themselves, and to assist those in need of food assistance and temporary financial assistance while transitioning into employment.

SC DEPARTMENT OF MENTAL HEALTH

The South Carolina Department of Mental Health, or DMH, is the State agency responsible for serving the needs of low-income persons with psychiatric disabilities. In addition to supportive housing, DMH provides a variety of services for its beneficiaries including assessment and evaluation, case management, psychiatric and medical care, Medicaid, counseling and therapy, adult and child day care, family life education, residential treatment, social and recreational services, special education, transportation, and substance abuse counseling.

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DMH has one full-time staff person working state-wide with local non-profits and a network of housing coordinators in each of the local community mental health centers to identify needs, to seek funding and sites, and to develop housing for persons with mental illness.

SC DEPARTMENT OF DISABILITIES & SPECIAL NEEDS

The South Carolina Department of Disabilities and Special Needs, or DDSN, serves persons with mental retardation, autism, head and spinal cord injury and conditions related to each of these four disabilities. DDSN provides such services as assessment and evaluation, case management, supportive housing (boarding homes), adult and child day care, mental and dental health care services, medical equipment, physical and speech (language) therapy, nutrition services, job and skills training, occupational therapy, job development, supervised living services, Medicaid and transportation.

The Department of Disabilities and Special Needs provide supportive living services as one of many specialized services/programs. Assisting DDSN in this endeavor is a statewide network of human services providers including local Disabilities and Special Needs Boards and private non-profit organizations.

OTHER PUBLIC AGENCIES

LOCAL MUNICIPAL AND COUNTY GOVERNMENTS

Local governments have historically provided financial and technical resources in addressing the needs of the homeless, at-risk, and lower income households in South Carolina. Local planning efforts provide opportunities to assess needs, coordinate services, set priorities, and propose ways to address community issues such as homelessness prevention and affordable housing development.

Under Title I of the Housing and Community Development Act, local governments that are CDBG Entitlements and receive funding directly from HUD are also required to conduct Analysis and Impediments. The ten large cities that participate include: Aiken, Anderson, Charleston, Columbia, Florence, Greenville, Rock Hill, Spartanburg, Summerville and Sumter. The six urban counties that participate include: Charleston, Greenville, Horry, Lexington, and Spartanburg.

REGIONAL COUNCILS OF GOVERNMENTS (COGs)

Regional COGs were established in 1972 by the State Legislature. COGs are non-profit cooperative (partnership) organizations of local government that serve a consortium of contiguous counties. There are ten Regional Councils of Government, each governed by a public board. For planning purposes, each of South Carolina's 46 counties is in one of these ten districts. COGs administer programs of common interest to the participating governments they represent. The programs and special initiatives of the COGs contribute to the growth and development of the towns, cities, and counties they serve. COGs administer CDBG, HOME, and other Federal housing, community and economic development programs on behalf of many local governments within their regions.

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A number of regional HOME Consortiums have also been formed in the state. As part of the requirements for receipt of HOME funds, a Consolidated Plan for Housing & Community Debarment and an Analysis of Impediments must be conducted. The HOME Consortiums in the state include:

- Santee-Lynches HOME Consortium (Clarendon, Kershaw, Lee, & Sumter Counties)
- Waccamaw HOME Consortium (Georgetown, Horry, & Williamsburg Counties)
- Lowcountry HOME Consortium (Beaufort, Colleton, Hampton, & Jasper Counties)
- Upper Savannah HOME Consortium (Abbeville, Edgefield, Greenwood, Laurens, McCormick, & Saluda Counties)
- Lower Savannah HOME Consortium (Aiken, Allendale, Bamberg, Barnwell, Calhoun, & Orangeburg)
- Anderson County HOME Consortium

In addition to the HOME Consortiums, several of these regional organizations are currently undertaking Analysis of Impediments for counties in their geographical area including Catawba and Berkeley-Charleston-Dorchester Councils of Government. Eleven of the 46 counties in South Carolina are not covered by local or regional AIs including: *Oconee, Pickens, Cherokee, Fairfield, Newberry, Chesterfield, Darlington, Dillon, Florence, Marion, and Marlboro*.

PUBLIC HOUSING AUTHORITIES (PHAs)

There are 42 local public housing authorities serving the State of South Carolina. PHAs administer the Section 8 Certificate and Voucher Programs, which provide rental assistance to low-income persons, and Public Housing statewide. These programs exist to assist the housing needs of very low and low-income households.

Local housing authorities are at the forefront of local housing initiatives and provide a necessary forum for the development of solutions to affordable and supportive housing needs at the community level. Larger South Carolina PHAs (usually located in metropolitan areas) also administer other HUD rental housing development initiatives including the Comprehensive Grant Program (CGP), Comprehensive Improvement Assistance Program (CIAP), and the HOPE Program.

OTHER ORGANIZATIONS

NON-PROFIT ORGANIZATIONS

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

Community Housing Development Organizations, or CHDOs, are special community-based non-profit organizations designated under the HOME Investment Partnerships Program (HOME). CHDOs are eligible to compete for set-aside HOME funds that can be used to finance a wide variety of affordable rental and owner housing activities. CHDOs play a critical role in developing housing and providing

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housing-related services at the community level. There are twenty-nine recertified CHDOs in the state and a roster of these organizations with contact information is located at:

www.schousing.com/library/HOME/CHDOs/recertified_2010.pdf

ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS

On May 30, 2000, the South Carolina legislature passed the Community Economic Development Act, which defined Community Development Corporations, or CDCs, provided for certification of CDCs by the State, and provided tax credits to those providing funds to CDCs. The role of the CDCs is to develop projects and activities to enhance community-wide economic opportunities. The activities pursued by CDCs include assisting residents to become owners and managers of small businesses, producing affordable housing, and creating a better living opportunity in the community. There are forty-one CDCs across the state. A roster of these organizations may be found at

www.communitydevelopmnetsc.org

COMMUNITY ACTION AGENCIES

There are 15 Community Action Agencies, or CAAs, in South Carolina serving the 46 counties. They serve socially and economically disabled individuals and families and enable them to become self sufficient by providing a range of services for persons and households needing housing and supportive services assistance. These services include assistance for weatherization, education, employment, emergencies, housing, and assistance with utility bills, food, clothing, and health care. CAAs target certain housing rehabilitation and social service resources to eligible low-income residents. South Carolina CAAs administer the Low Income Home Energy Assistance Program (LIHEAP) and Community Services Block Grant (CSBG) Program in communities across the state. CAAs play an important service delivery role, particularly in the rural communities where services and delivery agents are often scarce. The Office of Economic Opportunity Website provides a complete listing of the CAAs and the services they provide; please see:

www.oepp.sc.gov/oeo/caa

APPLESEED LEGAL JUSTICE CENTER

The South Carolina Appleseed Legal Justice Center provides legal information to the general public through brochures, pamphlets, flyers, and power-point presentations. The Center has an interest in housing issues and works to ensure the enforcement of federal and state laws that can protect an individual's ability to maintain stable housing, including federal and state fair housing laws, the South Carolina Residential-Landlord Tenant Act, and the housing protections provided under the 2005 reauthorization of the Violence against Women Act.

PART III — FAIR HOUSING COORDINATION & RESOURCES

SC AFFORDABLE HOUSING COALITION

The Affordable Housing Coalition of South Carolina is an organization dedicated to the creation, preservation and improvement of affordable housing for all South Carolinians. They serve as the primary advocates for affordable housing in South Carolina, providing a forum for communication, education, and action to create and improve affordable housing for working families, special needs groups, and individuals. They represent all aspects of the affordable/workforce housing industry.

HOUSING MARKET ORGANIZATIONS

HOMEOWNERSHIP HOUSING MARKET

Many agencies are involved in overseeing real estate industry practices and the practices of the agents involved. A portion of this oversight involves ensuring that fair housing laws are understood and complied with. The following organizations have limited oversight within the lending market, the real estate market, and some of their policies, practices, and programs are described.

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

The Federal Financial Institutions Examination Council (FFIEC) is a formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision, and to make recommendations to promote uniformity in the supervision of financial institutions. The FFIEC provides data on loan originations, loan denials, and other aspects of the home loan process, as well as preparing Community Reinvestment Act rating reports on financial institutions.

NATIONAL ASSOCIATION OF REALTORS

The National Association of Realtors (NAR) is a consortium of realtors, which represent the real estate industry at the local, state, and national level. As a trade association, members receive a range of membership benefits. However, to become a member, NAR members must subscribe to its Code of Ethics and a Model Affirmative Fair Housing Marketing Plan developed by HUD. The term “Realtor” thus identifies a licensed real estate professional who pledges to conduct business in keeping with the spirit and letter of the Code of Ethics. “Realtors” subscribe to the NAR’s Code of Ethics, which imposes obligations upon realtors regarding their active support for equal housing opportunity.

DIVERSITY CERTIFICATION

The NAR has created a diversity certification, “At Home with Diversity: One America”, to be granted to licensed real estate professionals who meet eligibility requirements and complete the NAR “At Home with Diversity” course. The certification signals to customers that the real estate professional has been trained on working with the diversity of today’s real estate markets.

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SC ASSOCIATION OF REALTORS

The South Carolina Association of Realtors (SCAR) is a trade association of realtors statewide. As members of the Association, realtors follow a strict code of ethics. The Association offers a certificate course, “At Home with Diversity, One America,” as part of its graduate education program.

SC REAL ESTATE COMMISSION

The South Carolina Real Estate Commission is the licensing authority for real estate brokers and salespersons. The Commission has adopted education requirements that include courses in ethics and fair housing. To renew a real estate license, each licensee is required to complete continuing education.

RENTAL HOUSING MARKET

Many agencies oversee the apartment rental process and related practices. This oversight includes ensuring that fair housing laws are understood. The following organizations have limited oversight within the rental housing market.

SC APARTMENT ASSOCIATION

The South Carolina Apartment Association (SCAA) is a state chapter of the National Apartment Association dedicated to serving the interests of Connecticut apartment owners and managers.

NATIONAL ASSOCIATION OF RESIDENTIAL PROPERTY MANAGERS

NARPM is an association of real estate professionals who are experienced in managing single-family and small residential properties. NARPM promotes the standards of property management, business ethics, professionalism, and fair housing practices within the residential property management field. NARPM certifies members in the standards and practices of the residential property management industry and promotes continuing professional education. NARPM offers designations to qualified property managers and management firms, and these certifications require educational courses in fair housing practices.

Thus, there are a number of professional organizations and government agencies that have varying degrees of supervision on matters of fair housing or which provide training on ethics and fair housing to their members.

FAIR HOUSING RESOURCES

FEDERAL AND STATE RESOURCES

Funding for housing and community development programs in the state continues to be provided by both state and federal sources. State resources for affordable housing vary depending upon the specific source of revenue identified and/or the mechanics of the program. Additional and often more significant resources include federal programs that are allocated to the state. Less reliable federal resources are available on a competitive or demonstration basis. All of these resources are discussed below.

The continued availability of federal and state funding is perhaps the single most important factor affecting whether and how well the state can implement its strategies for fair housing and removal of impediments. Federal dollars, which were shrinking in prior years, are now severely threatened as the

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national budget shortfall worsens. The future remains uncertain, particularly as new discussions emerge over whether to increase the federal debt limit and ways to balance the federal budget.

STATE HOUSING RESOURCES

State resources for addressing affordable housing objectives are managed by the State Housing Finance and Development Authority (SHFDA), with the exception of the CDBG program. SHFDA also administers federal resources allocated to the state which include HOME, the Low Income Housing Tax Credit (LIHTC) and the Section 8 Rental Assistance programs. The state Mortgage Revenue Bond and Multifamily Tax Exempt Bond Programs both derive funding from the sale of tax exempt bonds to investors and funding levels fluctuate according to economic conditions and investor demand. The South Carolina Housing Trust Fund receives a dedicated share of the state deed stamp tax, and funding for this resource is dependent on the volume of real estate transactions in the state. Funds invested during fiscal year 2010, by SHFDA programs other than HOME, are show below.

Fiscal Year 2010 Affordable Housing Investments Non-HOME SHFDA Programs

Program	Amount in Millions
Mortgage Revenue Bond Program	\$64.1
South Carolina Housing Trust Fund	\$8.5
Low Income Housing Tax Credit Program	\$10.5
Multifamily Tax Exempt Bond Program	\$21.0
Section 8 Housing Choice Voucher Program & Contract Administration	\$117.5
TOTAL	\$221.6

SHFDA resources like the Mortgage Revenue Bond Program (MRB) and Section 8 are aimed at making homeownership and rental affordable, while the State Housing Trust Fund and LIHTC Programs lower the costs of development to foster and increase the supply of affordable housing. Where these programs also allow rehabilitation, affordable housing is maintained.

The above SHFDA programs for developing housing in South Carolina are implemented by hundreds of private, non-profit and public sector housing partners. This layering of private investment capital and public funds is an important element in expanding the base of affordable housing and addressing the needs of the State's Consolidated Plan. It is also a significant source of additional leveraging.

Various other state programs continue to be utilized to help carry out affordable housing goals. The Human Affairs Commission (HAC) has funds allocated from the state budget but also receives reimbursement from HUD for Fair Housing enforcement. The Department of Consumer Affairs (DCA) operates its programs based on state budget allocations. State budgets have steadily declined as the economy has negatively impacted the state's income. Lack of adequate funding makes it difficult for HAC and DCA to carry out activities in support of fair housing. Other programs and resources include: programs for special needs housing under the Department of Mental Health (DMH); funding and programs applicable to both community and economic development through the State Budget and

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Control Board Division of Local Governments (BDB), the state Rural Infrastructure Fund, and the SC Department of Parks, Recreation and Tourism (PRT); transportation programs through the SC Department of Transportation (DOT); and community development programs and resources from various state agencies including the SC Departments of Health and Environmental Control (DHEC), Health and Human Services (DHHS), and Archives and History (DAH).

FEDERAL ECONOMIC RECOVERY RESOURCES

New federal resources were created, and continue to be created, in response to housing and foreclosure issues and the ongoing economic downturn that has persisted in recent years.

The first of these programs, the HUD Neighborhood Stabilization Program (NSP), was created under the Housing and Economic Recovery Act (HERA) of 2008 to specifically respond to rising foreclosures and declining property values. NSP funds were a special allocation of CDBG funds that could be used to provide emergency assistance in acquiring and redeveloping foreclosed properties that might otherwise become sources of abandonment and blight in communities around the state. South Carolina received \$44.6 million under the first round of funding in 2008 and will receive an additional \$5.6 million under NSP3, the third round of funding, in program year 2011. At HUD's recommendation, the state's NSP3 funds will be targeted to "areas of greatest need," which are also small enough so that at least 20% of the REO properties and foreclosure starts during the year will receive NSP3 assistance. According to HUD, the minimum 20% assistance rate is necessary to achieve a stabilizing impact. To further increase the impact of NSP3, SHFDA selected subrecipients with highest need, which also were already successfully administering NSP1 grant funds. In this way, NSP3 will complement existing efforts, build on existing momentum and leverage NSP dollars already awarded. As described in the state's NSP3 Substantial Amendment to its 2010 Action Plan, recipients of NSP3 funds are the cities of Florence, Rock Hill and Spartanburg and Richland County.

Additional federal funds and initiatives followed in the wake of HERA. These included:

- An effort by Congress to help stimulate demand for Low Income Housing Tax Credits by increasing the per capita tax credit amount in 2009 and again in 2010,
- Creation of the HUD Tax Credit Assistance Program (TCAP) and Housing Credit Exchange Program,
- Creation of National Foreclosure Mitigation Counseling Program funds specifically to assist states with high rates of foreclosure, and
- Creation of the Housing Agency Innovation Fund, or "Hardest Hit Fund," in 2010 to make an additional source of funding available to five states with the highest concentrations of people living in economically distressed areas, as defined by unemployment rates.

The TCAP Program was created under the American Recovery and Reinvestment Act (ARRA) and provided funds to state housing finance agencies to disperse to developers approved to receive Low Income Housing Tax Credits (LIHTC), where additional gap financing was necessary to make projects feasible. South Carolina received a TCAP allocation of \$25.4 million and awarded \$12.1 million.

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Combined with the 20 cent increase in the per capita tax credit amount in 2009, and the second 10 cent increase in 2010, the TCAP and Exchange programs provided the equity needed to move developments forward and helped facilitate 2010 Low Income Housing Tax Credit program awards of \$10.5 million. The latter will result in 955 new rental units for low income families.

Under the fourth round of federal National Foreclosure Mitigation Counseling Program funding, South Carolina was awarded just under \$2 million during the 2010 program year to support foreclosure prevention counseling efforts. SHFDA applied for these funds with Family Services, Inc. as its subgrantee. Family Services received similar funding under the first three rounds, had developed an efficient, successful statewide program and developed a partnership with SHFDA to extend the reach and impact of existing foreclosure prevention efforts. South Carolina was also designated one of the country's "Hardest Hit Housing Markets," and as a result SHFDA received \$138 million from the second round of HUD's Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HFA Hardest Hit Fund). Program activities may include unemployment programs, mortgage modifications, mortgage modifications with principal forbearance, short sales/deeds-in-lieu of foreclosure, and principal reduction programs for borrowers with severe negative equity and second lien reductions.

In August 2010, the US Department of the Treasury announced that an additional \$58 million would be available to assist South Carolina's "hardest hit" homeowners. South Carolina was selected for the additional HFA funding due to high, sustained unemployment with rates at or above the national average for the 12 months ending in June 2010. Using these HFA funds, SHFDA launched its new South Carolina Homeownership and Employment Lending Program, or "SC HELP." The program is based on the concept that every homeowner's situation is unique and that homeowners have complex needs. Following a successful pilot program, the US Treasury Department approved South Carolina's readiness assessment, and the program was expanded statewide effective January 2011. SC HELP will use almost \$300 million in federal funds to assist responsible but struggling homeowners in South Carolina through monthly payment or direct loan assistance. The program is being administered by SC Housing Corp., a non-profit division of SHFDA and reported its first quarter results for the quarter ended March 31, 2011. A total of 283 applications were received and 90 were approved for assistance. More than 90% of those approved had incomes at or below 80% of the area median income; 67% reported unemployment as the underlying cause of hardship; and 39% were 90 days or more delinquent on their mortgage.

CDBG FUNDING

CDBG is focused on projects that will benefit low to moderate income (LMI) persons, including extremely low income persons who earn 0 to 30% of the area median income, low income persons who earn 30 to 50% of the median and moderate income persons who earn 50 to 80% of the median. Typically, the majority of CDBG funded activities benefit LMI persons and meet the LMI national objective. For 2010, 94% of the State CDBG program funds benefitted LMI persons.

CDBG funds assist persons of varying races and ethnicity. Projects are tracked based on racial and ethnic characteristics for households (housing projects) and persons (all other types of projects with direct benefit). For 2010, total persons benefitted included most ethnic categories defined by HUD, including approximately 54.5% African American, 2.3% Hispanic, 0.3% American Indian/Alaskan Native, 0.2% Asian, and 0.03% Native American/Pacific Islander. Of those beneficiaries reporting more than one race,

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1.2% were African American and White, and each of the other racial/ethnic categories represented less than 1% of all beneficiaries.

To ensure funding assistance does not exclude or discriminate against minorities, all applicants requesting CDBG funds are required to provide maps showing service areas and concentrations of LMI and minority households in the community. Funding decisions are further predicated on an analysis of proposed persons or households to benefit from project activities, either directly or indirectly, and the related income and race and ethnicity categories for the proposed beneficiaries. Recipients of CDBG funds must also ensure that CDBG-funded activities are conducted in a manner which will not cause discrimination on the basis of race, color, national origin, religion, sex, disability, age or familial status.

All CDBG recipients must also comply with Section 504 accessibility requirements and prior to any funds being drawn must submit for review and approval a plan for compliance with Section 504.

Together with Fair Housing Plans, which must also be submitted and approved before any grant funds can be drawn, the purpose is to encourage recipients to develop a comprehensive strategy for creating an environment which fosters nondiscrimination, an accessible living environment, and affirmatively furthers fair housing. Implementation of activities on either the 504 or Fair Housing Plan must occur prior to project close out.

Other requirements for CDBG grant recipients include:

- Track and report the income, race and ethnicity of all applicants for direct CDBG financial assistance, as well as the income, race and ethnicity of all actual beneficiaries of CDBG funded projects.
- Comply with Equal Opportunity laws and requirements and ensure non-discrimination in the provision of, use of or benefit from CDBG-funded housing, services, facilities and improvements, in CDBG-related employment, and in procurement related to CDBG funded activities.

Funding for CDBG programs has significantly declined in recent years, including a 15% reduction in 2011 alone.

COLLABORATION AND COORDINATION

PUBLIC AGENCY COORDINATION

In response to the pressing issues of affordable housing, and a growing state level awareness of the need to study this problem at the state level and provide recommendations, the legislature created the Affordable Housing Study Committee in the state Lt. Governor's Office. Beginning in early 2007, seventeen key housing development partners began meetings of the Affordable Housing Study Committee located in the Lt. Governor's Office. An official taskforce was subsequently formed, as well as six working subcommittees to promote and advance affordable housing issues, encourage supporting legislation, enhance public awareness, and develop specific strategies for production and funding. An additional

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benefit has been to provide a venue for interaction and communication in the important area of affordable housing.

Members of the Affordable Housing Study Committee

SC Department of Commerce	SC Association of Counties
SC Housing and Finance Authority	Municipal Association of SC
SC Human Affairs Commission	SC Homebuilders Association
SC Office of US Department of Housing and Urban Development (HUD)	Affordable Housing Coalition of SC
SC Housing Authority Executive Director Association	Manufactured Housing Institute of SC
SC Office of US Department of Agriculture Rural Development	SC Association of Realtors
	SC Appleseed Legal Justice Center

Legislation creating a more permanent Housing Commission was proposed, and during the 2009 program year this new legislation was passed, creating the state Housing Commission. The Housing Commission consists of twelve members drawn from the House of Representatives and the Senate and five non-legislative members. Its purpose is to foster the availability of affordable workforce housing.

Overall, the multi-agency participation required by the Lt. Governor's Affordable Housing Study Commission, as well as the existence of the new state Housing Commission, have afforded in recent years more opportunity for coordination among public agencies involved in housing than previously existed in the state. However, there is still no required formal communication and/or coordination among the various state agencies responsible for enforcement and outreach activities related to the Fair Housing Act under South Carolina's form of government.

Following its creation in 2009, South Carolina also has a permanent Housing Commission consisting of twelve members drawn from the House of Representatives and the Senate and five non-legislative members. Its primary purpose will be to foster the availability of affordable workforce housing.

The HUD formula grant programs regularly collaborate with other state and federal agencies in the implementation of specific activities, often in terms of coordinating funding. Since so many projects integrate funding from other federal and state agencies, major efforts have been made to improve communication and coordination between agencies.

PART IV – FAIR HOUSING STATUS AND ENFORCEMENT

This section provides an overview of the institutional structure of the housing industry in governing the fair housing practices of its participants. The oversight, sources of information, and fair housing services available to residents of South Carolina are described and their roles explained.

FAIR HOUSING ENFORCEMENT STRUCTURE

Persons who feel that their right to fair housing has been violated have a number of avenues, which they can pursue to achieve remedy. These range from complaints through Federal or State agencies to personal legal actions. This section briefly describes the more commonly used avenues and those for which data is tracked.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The United States Department of Housing and Urban Development (HUD) oversees, administers, and enforces the Fair Housing Act. HUD's regional office in Atlanta, Georgia, oversees housing, community development and fair housing enforcement in South Carolina, as well as Alabama, the Caribbean, Florida, Georgia, Kentucky, Mississippi, North Carolina and Tennessee. The Office of Fair Housing and Equal Opportunity (FHEO), within HUD's Atlanta office, enforces the federal Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending and other related transactions in South Carolina. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws, and works with state and local agencies under the Fair Housing Assistance Program and Fair Housing Initiative Program.

HUD COMPLAINT PROCESS

According to the HUD website, any person who feels their housing rights have been violated may submit a complaint to HUD via phone, mail or the Internet. A complaint can be submitted to the national HUD office at:

Office of Fair Housing and Equal Opportunity
Department of Housing and Urban Development
Room 5204
451 Seventh St. SW
Washington, DC 20410-2000
(202) 708-1112
1-800-669-9777

<http://www.hud.gov/offices/fheo/online-complaint>

In South Carolina, the contact information for the regional HUD office in Atlanta is:

Atlanta Regional Office of FHEO
U.S. Department of Housing and Urban Development

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Five Points Plaza
40 Marietta Street, 16th Floor
Atlanta, Georgia 30303-2806
(404) 331-5140
1-800-440-8091

However, as described below, the South Carolina Human Affairs Commission is the agency designated by HUD to receive and investigate fair housing complaints in the State. No local or county entities have received the “substantially equivalent status” necessary to receive and investigate complaints.

HUD administers the Fair Housing Initiative Program, through which organizations can undertake a range of fair housing activities. A Fair Housing Initiative Program (FHIP) participant may be a government agency, a private non-profit or a for-profit organization. FHIPS are funded through a competitive grant program which provides funds to organizations to carry out projects and activities designed to enforce and enhance compliance with fair housing laws. Eligible activities include education and outreach to the public and the housing industry on fair housing rights and responsibilities, as well as enforcement activities in response to fair housing complaints, including testing and litigation. In 2006, the Greenville County Human Relations Commission (GCHRC), a HUD-certified housing counseling agency that provides an array of housing, educational, and outreach services in a four-county area, received a \$99,000 grant, and in 2007, the Waccamaw Regional Fair Housing Program (WRFHP) received a \$75,000 award to conduct fair housing education and outreach activities for housing providers, government officials, and the public. These activities included workshops, meetings, and other activities; a fair housing information and complaint hotline; a website with information on the Fair Housing Act and local issues; and a Fair Housing Month event.

In addition to general fair housing discrimination complaints, HUD accepts specific complaints that violate Section 504 of the Rehabilitation Act of 1973, which prohibits programs or organizations that receive federal funds from discriminating against persons with disabilities. In relation to housing, this means that any housing program that accepts federal monies must promote equal access of units, regardless of disability status. Both mental and physical handicap are included in Section 504. An example of a Section 504 violation is a public housing manager who demands a higher housing deposit to a person in a wheelchair because of the anticipated damage that a wheelchair may cause. This violates Section 504 in that a person cannot be held to different standards or liabilities due to disability. Complaints that are in violation of Section 504 are filed and processed in the same manner as general fair housing complaints.

SOUTH CAROLINA HUMAN AFFAIRS COMMISSION

The South Carolina Human Affairs Commission (SCHAC) is the agency designated by HUD to enforce the South Carolina Fair Housing Law. The agency mission is to educate the public and enforce the laws that prohibit discrimination in housing, employment, and public accommodations. Through enforcement activities, the agency is directly involved in complaint processing, investigations, and settlement. The agency has also assisted in the establishment of local councils to encourage local resolution of housing problems and to foster better community relations.

PART IV – FAIR HOUSING STATUS & ENFORCEMENT

A person who feels that they have been discriminated against may contact the SCHAC to register that complaint within 180 days of the alleged discrimination. The complaint will be investigated and, if deemed a violation, a complaint form will be filed. Though every effort is made to mediate the complaint, an investigation will be completed, and a determination as to whether or not there are reasonable grounds to believe a violation has occurred will be made. If there has been no settlement, and there are reasonable grounds, one of several enforcement options may be chosen. These include civil action, an administrative hearing by a panel of SCHAC members, or the complainant may sue the respondent in State court.

FAIR HOUSING COMPLAINT DATA

HUD OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY

Nationally, approximately 10,000 cases were filed with HUD's Office of Fair Housing and Equal Opportunity each year between 2006 and 2009. In the six Southeast states (Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia), cases filed have consistently been about 1,400 per year, with an uptick in 2008 but otherwise no significant change since 2006. Excluding Florida, where the majority of Southeast state cases are filed, the annual number is much lower and shows a slight downward trend more consistent with the nation. Nationally, there has been a slight decline in the total number of cases filed, from 10,587 in 2006 to 10,108 in 2009.

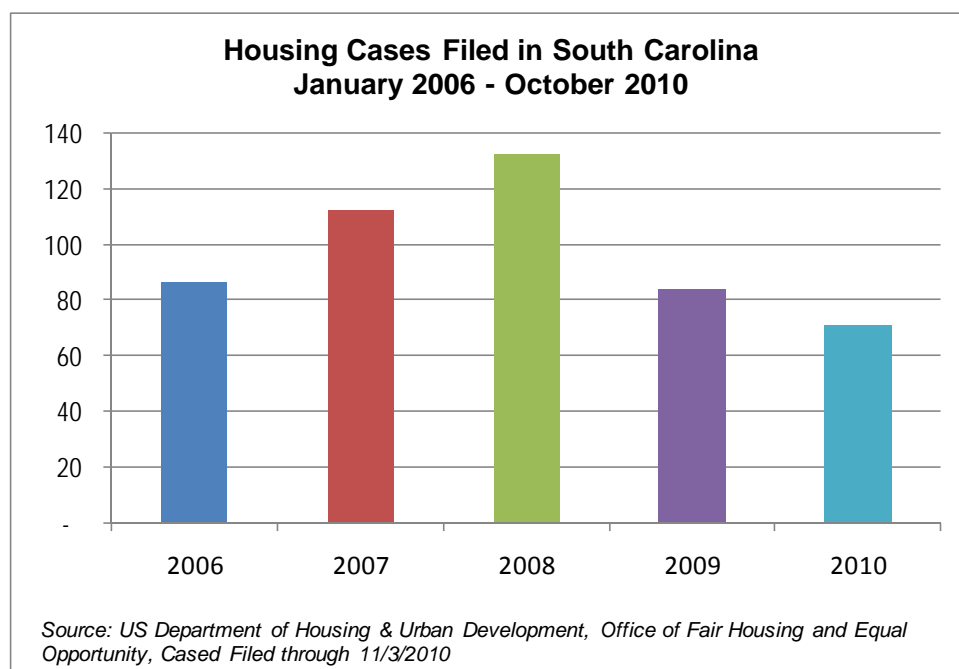
Fair Housing Cases Filed 2006-2009

Year	United States		Southeast States (FL, GA, NC, SC and VA)		South Carolina	
	Number of Cases Filed	% Change	Number of Cases Filed	% Change	Number of Cases Filed	% Change
2006	10,587	N/A	641	N/A	86	N/A
2007	10,263	-3.1%	643	0.3%	112	30.2%
2008	10,782	5.1%	892	38.7%	132	17.9%
2009	10,108	-6.3%	596	-33.2%	84	-36.4%
Total	41,740		2,772		414	

Source: US Department of Housing & Urban Development, Office of Fair Housing & Equal Opportunity, Fair Housing Cases Filed

As shown above and in the chart below, the number of cases in South Carolina alone has varied each year, ranging from a low of 86 in 2006 to a high of 132 in 2008, dropping back to a level consistent with 2006 in 2009. Complete data for 2010 is not yet available, but the chart below shows cases filed through November 3, 2010. The data seems to indicate a possible 20% decline in cases since 2009 and an almost 50% decline from the highest level in 2008.

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Data is also available regarding the basis of fair housing complaints filed with HUD FHEO. Nationally, the majority of cases filed in 2009 cited either race (25%) or disability (35%) as the basis of the complaint, with these two representing a fairly equal number of cases in 2006, but with race trending downward and disability trending upward. In 2009, 3,252 cases were based on race compared with 4,574 based on disability. Cases based on familial status are also increasing, from 11% in 2006 to 14% or 1,845 cases in 2009, and cases based on national origin are decreasing, from 11% in 2006 to 10% or 1,282 cases in 2009. Cases based on gender/sex have remained fairly steady, as has retaliation for fair housing complaints. Color and religion account for a fairly small number of cases nationwide, generally less than 300 each per year.

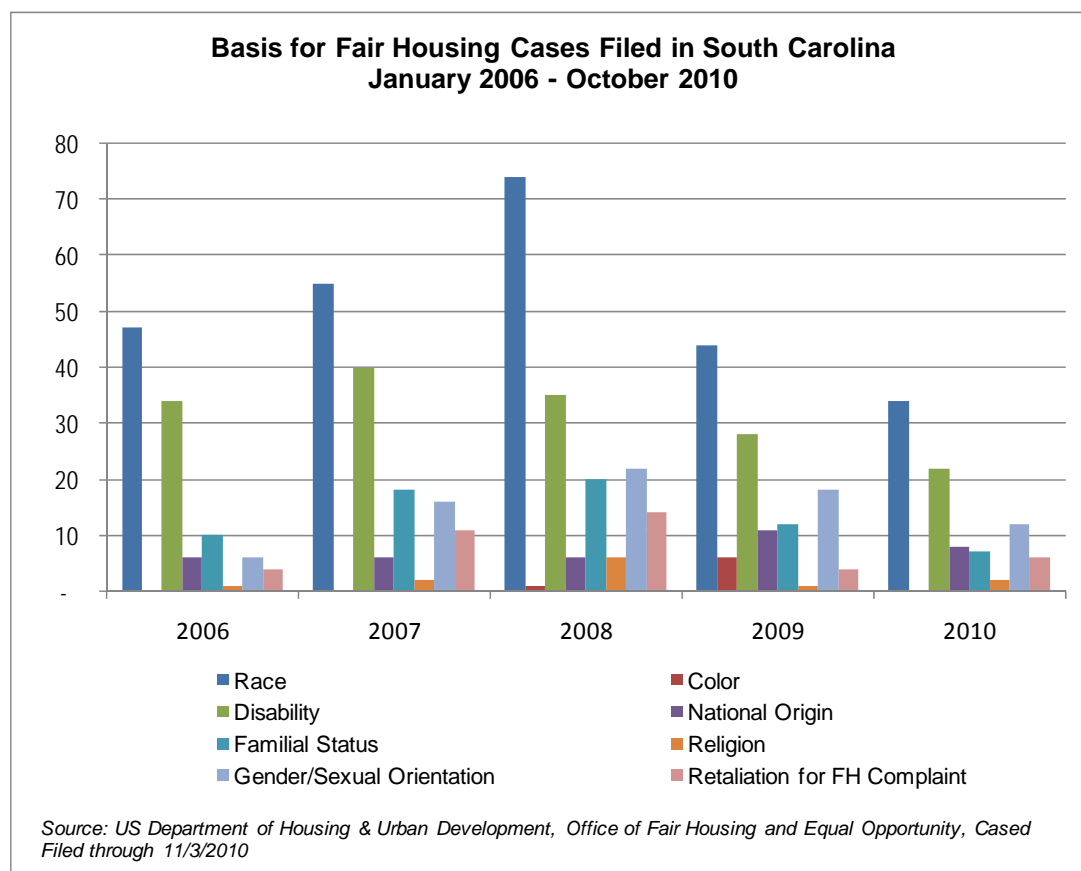
In South Carolina, race is still cited as the cause of the majority of cases filed with HUD FHEO and disability is still second, but the gap between the causes is narrowing as the number of cases based on race decreases since 2006 and the number of cases based on other sources of discrimination increases. Disability has actually decreased from 31.5% of cases in 2006 to 24.2% in 2010, but disability is still the second most common basis for fair housing complaints in South Carolina, which is consistent with indications provided by the state's fair housing surveys. By comparison, cases based on race have dropped from 43.45% of all cases in 2006 to 37.4% of cases in 2010. This perhaps indicates that efforts at increasing public awareness are having an effect, but that the public is still unaware of the protections offered by fair housing laws against such actions as unwillingness to rent to families with children or single females.

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**Basis for Fair Housing Cases Filed
South Carolina, 2006 - 2009**

Basis for Complaint	2010 (Jan – Oct)	2009	2008	2007	2006
Race	37.4%	35.5%	41.6%	37.2%	43.5%
Color	0.0%	4.8%	0.6%	0.0%	0.0%
Disability	24.2%	22.6%	19.7%	27.0%	31.5%
Gender/Sexual Orientation	13.2%	14.5%	12.4%	10.8%	5.6%
National Origin	8.8%	8.9%	3.4%	4.1%	5.6%
Familial Status	7.7%	9.7%	11.2%	12.2%	9.3%
Religion	2.2%	0.8%	3.4%	1.4%	0.9%
Retaliation for Fair Housing Complaint	6.6%	3.2%	7.9%	7.4%	3.7%

Source: US Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, Fair Housing Cases Filed through 11/3/2010



The percentage of cases where general/sexual orientation, national origin and religion were the basis for the complaint has respectively increased substantially since 2006. In 2006, sex and national origin tied as the fourth most common causes of housing discrimination, with both responsible for 5.6% of cases. As of November 2010, gender/sexual orientation is approaching triple 2006 and, at 13% of all cases, is now the

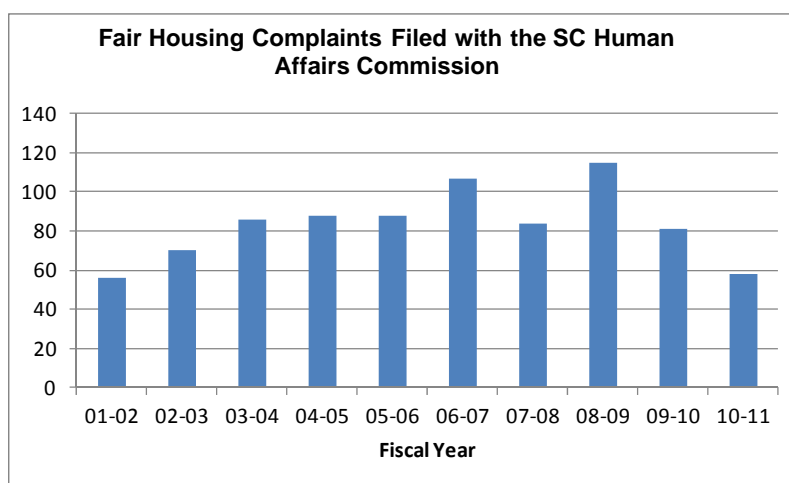
PART IV – FAIR HOUSING STATUS & ENFORCEMENT

third most common basis for fair housing cases in South Carolina in 2010. National origin has increased more slowly, from 5.6% to 8.8% in 2010, but has still become the fourth most common basis, followed closely by familial status at 7.7%.

The apparent prevalence of discrimination based on race, disability and familial status was borne out by respondents to the state's 2008 fair housing survey, many of whom identified discrimination against these protected classes as continuing impediments to fair housing in the state. In the individual response section of the survey, "continued disregard for fair housing by many landlords – especially discrimination in renting to minorities, families with children and the disabled" was cited as a specific factor in at least one community. If, as the 2009 survey indicates, almost half of all residents are not aware of the Fair Housing Act and/or are not aware that SCHAC (or HUD) investigates complaints, these figures could be understated. Regardless, this data indicates that violations of fair housing law continue to result in complaints filed, and the underlying cause may be continued lack of knowledge about the Fair Housing Act and the accessibility requirements under the ADA.

SC HUMAN AFFAIRS COMMISSION

The SC Human Affairs Commission (SCHAC) provides data about Fair Housing complaints filed in their annual Accountability Reports to the SC State Legislature. These reports indicated a record 115 fair housing complaints filed in Fiscal Year 2008, with a previous high of 107 complaints in FY 2006. Since 2008, the number of complaints decreased to 81 in FY 2009 and then 58 in FY 2010. Previous to FY 2006, the number of complaints filed had increased from 56 in FY 2001 to a fairly constant level (in the range of 86 to 88 cases) between FY 2003 and 2005. The chart below provides complaint data for the past decade based on SCHAC Accountability Reports.



Source: SC Human Affairs Commission Annual Accountability Reports, FY 2001 - 2010

Note that the above data includes all fair housing complaints filed with the SCHAC. The SCHAC also maintains data on final actions which indicates the outcomes and various actions that taken as a result of the complaint. In any year, there are a number of cases that are dismissed for lack of jurisdiction, as well as cases where no cause was found, the complainant could not be located or failed to cooperate, or the complaint was withdrawn by the complainant before or after resolution. Most remaining cases are conciliated though occasionally litigation is required.

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To examine the causes of complaints in South Carolina, additional more detailed data was obtained directly from SCHAC. This data identifies location and basis for SCHAC cases closed between calendar year 2006 and 2010. Closed cases roughly correspond to those reflected in the agency Accountability Reports as “Final Actions” but are on a calendar year vs. fiscal year basis and therefore not directly comparable. Analysis of the additional SCHAC data also shows that the number of cases peaked in 2008 and dropped off in 2010. The number of complaints based solely on sex or gender doubled between 2006 and 2008 and increased from 33% of all closed cases in 2006 to a high of 52% in 2010. On the other hand, those filed solely on the basis of race have declined overall, decreasing from more than half of all closed cases in 2006 to 30% in 2010. The table below summarizes the data. Overall, sex or gender is now the most prevalent basis of complaints for this period, representing on average 44% of closed cases, which compares with race which was the basis of 37% of complaints on average. SCHAC was not able to report on complaints where the basis was disability.

SC Human Affairs Commission Housing Discrimination Complaint Cases Closed, 2006 to 2010 By Basis of Complaint

Basis of Complaint	2006	2007	2008	2009	2010	Total	
Race	30	25	29	23	20	127	37%
Sex	18	28	37	36	34	153	44%
Multiple	7	8	18	22	12	67	19%

Source: SC Human Affairs Commission

Discrimination in the conditions or terms of sale, rental or occupancy was the top reason cited in 31% of cases. A smaller portion of 8% involved refusal to rent, sell, or deal with an individual. Most complaints were of unknown or undetermined causes. Other causes cited in complaints included discrimination in financing, intimidation, interference or coercion, failure to make a reasonable accommodation, and falsely denied housing. Over 57% were withdrawn, dismissed or resulted in a no cause determination.

SC Human Affairs Commission Housing Discrimination Complaint Cases Closed, 2006 to 2010 By Reasons Cited

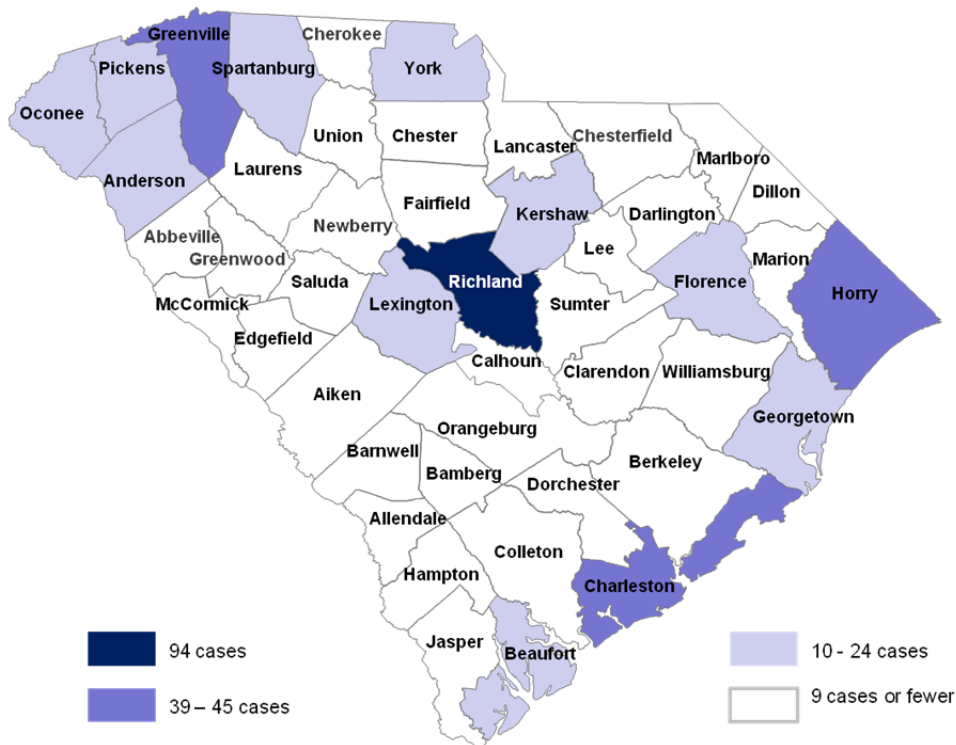
Reasons Cited	2006	2007	2008	2009	2010	TOTAL	
Terms of sale, rental occupancy or in services for facilities	43	25	6	23	11	108	31.0%
Intimidated, interfered or coerced to deny benefits from SC Fair Housing Law	1	1	1	2	0	5	1.5%
Refuse to rent, sell or deal with an individual	6	10	3	6	4	29	8.0%
Discrimination in financing	1	0	0	2	1	4	1.0%
Failure to make reasonable accommodations	0	0	0	1	0	1	0.5%
Falsely deny housing was available	0	0	0	1	0	1	0.5%
Other/Unknown	4	25	74	46	50	196	57.0%

Source: SC Human Affairs Commission

GEOGRAPHIC DISTRIBUTION OF COMPLAINTS

Between 2006 and 2010, final actions or cases closed by SCHAC involved fair housing complaints that originated in 34 out of 46 counties. Interestingly, about a third of the cases did not identify a particular county, about a third were concentrated in just four counties, and the remainder were scattered throughout other counties in the state. The counties that had the highest number of closed cases over the four-year period, in order of frequency include: Richland, Charleston, Greenville and Horry. Next highest were Florence, Spartanburg, Lexington, Georgetown, and Beaufort. Complaints filed with HUD FHEO reflected a similar pattern, except that Horry was second highest followed by Greenville and Charleston. Richland County, according to data from both sources, had more than twice the number of complaints as the next highest county, and the top four counties combined represent the majority, or about one-third of all SCHAC complaints and just under half of all HUD FHEO complaints. This indicates that the greatest degree of fair housing discrimination occurs in the state's urban areas. Complaints filed with HUD FHEO and closed by SCHAC between 2006 and 2010 are shown on the following maps.

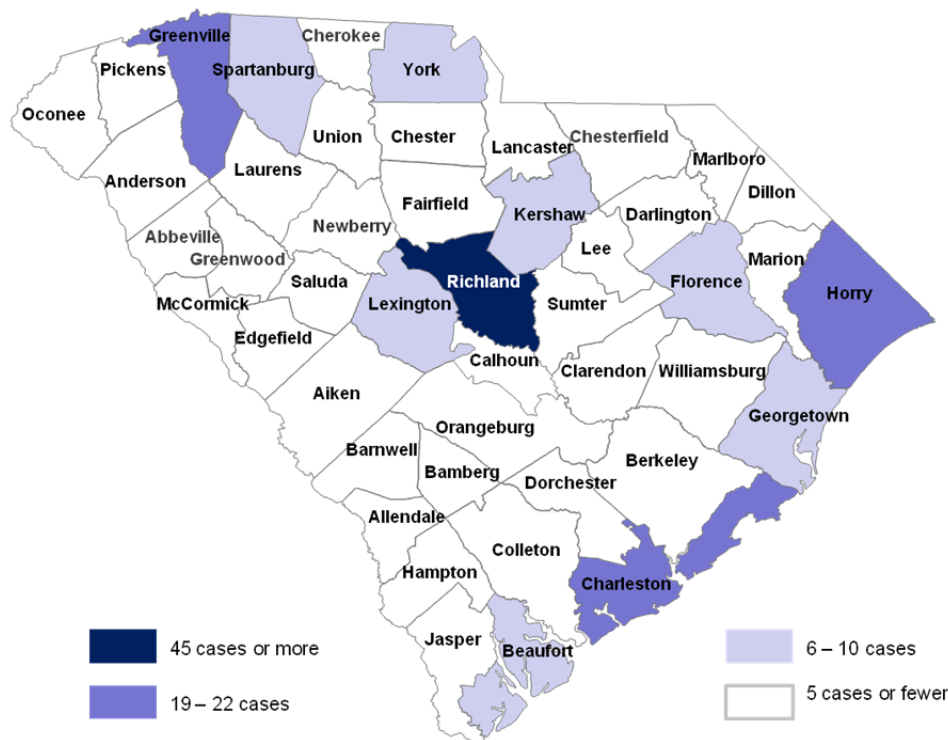
Fair Housing Complaint Filed with HUD FHEO by County
2006 - 2010



Source: US Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity

PART IV – FAIR HOUSING STATUS & ENFORCEMENT

Fair Housing Complaint Cases by County
SC Human Affairs Commission, 2006 - 2010



Source: SC Human Affairs Commission

US DEPARTMENT OF JUSTICE LEGAL ACTIONS

The U.S. Department of Justice (DOJ) enacts lawsuits on behalf of individuals based on referrals from HUD. Under the Fair Housing Act, the DOJ may file lawsuits in the following instances:

- Where there is reason to believe that a person or entity is engaged in what is termed a “pattern or practice” of discrimination or where a denial of rights to a group of people raises an issue of general public importance;
- Where force or threat of force is used to deny or interfere with fair housing rights;
- Where people who believe that they have been victims of an illegal housing practice file a complaint with HUD or file their own lawsuit in federal or state court.

A review of the Department of Justice, Office of Civil Rights, and Website revealed very few fair housing cases filed in South Carolina. One involved a developer based in Indianapolis, Indiana, with multi-family properties in South Carolina and another involved a Charleston area landlord charged with unfairly discriminating against children with families.

PART V – PRIVATE AND PUBLIC SECTOR DATA

ANALYSIS OF PRIVATE SECTOR LENDING DATA

The Federal Government has enacted a number of laws aimed at promoting fair lending practices, with new legislation originally stemming from concerns about sub-prime lending as early as the 1970's and most recently as a result of the mortgage foreclosure crisis which still persists. Federal legislation includes:

- In 1968, the Fair Housing Act itself which prohibits discrimination against any of the protected classes in making loans to buy, build or repair a dwelling.
- In 1974, the Equal Credit Opportunity Act which prohibits discrimination in lending based on race, color, religion, sex, marital status, age, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act.
- In 1977, the Community Reinvestment Act (CRA) which requires each federal financial supervisory agency to encourage financial institutions to help meet the credit needs of their entire community, including low and moderate income neighborhoods.
- In 1975, the Home Mortgage Disclosure Act which, as later amended, requires financial institutions to public disclose the race, sex, ethnicity and household income of mortgage applicants by the census tract in which the loan is proposed, as well as the outcome of the loan application. The most recent changes also require a disclosure of the “rate spread” on approved loans and reasons for denial of loan applications.
- In 1994, the Home Ownership and Equity Protection Act which addressed certain deceptive and unfair practices in home equity lending by amending the Truth in Lending Act (TILA). Notably, HOEPA established requirements for loans with high rates and/or high fees, required additional disclosures on the part of the lender in addition to those required by TILA, and prohibited practices like balloon payments, negative amortization and prepayment penalties.
- In 2008, the Secure and Fair Enforcement for Mortgage Licensing Act (the SAFE Act), which required various federal agencies including the Board of Governors of the Federal Reserve Board, the Federal Deposit Insurance Corporation and others to jointly develop a federal registration system, which has become known as the Nationwide Mortgage Licensing System and Registry for the “Federal Registry,” for individual employees of regulated institutions engaged in mortgage loan origination.
- In 2010, Wall Street Reform and Consumer Financial Protection Act of 2010, which transferred authority to develop and maintain the Federal Registry created by the SAFE Act to the Consumer Financial Protection Bureau, or CFPB.

PART V — PRIVATE & PUBLIC SECTOR DATA

The history above reflects the increasing attention being focused at the federal level on private sector lending, and the importance of fairness in related transactions. The Home Mortgage Disclosure Act (HMDA) and the Home Ownership and Equity Protection Act (HOEPA), in particular, are pertinent to this Analysis of Impediments to Fair Housing. Originally, HMDA was enacted to determine whether financial institutions were meeting the housing credit needs of their communities and to assist in attracting private capital to areas where it was needed. In the 1990's, HMDA data became available at the aggregate national and state level, and it included additional data such race, ethnicity and gender. This enabled HMDA to be used for a third purpose: to perform fair lending analyses and identify disparities in lending patterns. Changes have continually been made to HMDA reporting requirements, with fairly significant changes in 2002 (effective in 2004) that required lenders to collect and report pricing data on higher priced loans and whether the loan was a HOEPA loan. HOEPA loans are defined as:

- First-lien loans (or the original mortgage on the property) where the annual percentage rate exceeds the rate on Treasury securities of comparable terms by more than 8 percentage points;
- Second-lien loans or second mortgages where annual percentage rate exceeds the rate on Treasury securities of comparable terms by more than 10 percentage points; or
- Loans where the total fees and points paid by the consumer at or before closing exceed the greater of a set amount adjusted annually or 8% of the total loan amount.

Detailed HMDA data is currently made available each year by the Federal Financial Institutions Examination Council (FFIEC), and this provides the public with loan data that can be used to evaluate private sector lending activity. HMDA originally applied only to depository institutions, but over the years the law has been expanded to include other types of institutions, including savings and loan corporations, mortgage banking subsidiaries of bank holding companies, savings and loan holding companies, and most recently to independent mortgage lenders. Depository lenders with assets above a certain level and a home or branch office in a Metropolitan Statistical Area (MSA) are subject to HMDA requirements. Certain exemptions apply based on activity during the prior calendar year, for example if a depository institution meeting the foregoing criteria did not make any first-lien home purchase loans or refinancing of such loans, or if during the year it was not federally insured or regulated or have at least one mortgage loan that was federally insured, guaranteed, or supplemented or intended for sale to Fannie Mae or Freddie Mac. Non-depository institutions are subject to HMDA if they are for-profit and meet other calendar year activity tests. The Federal Reserve establishes the thresholds for HMDA coverage each December, and for 2011, these thresholds were:

- Depository Institutions – Total assets of more than \$40 million.
- Non-depository Institutions - At least one of the following: a) Home purchase loan originations, including refinancing of such, equal to at least \$25 million or 10% of total loan originations, b) total assets equal to at least \$10 million or at least 100 home purchase loan originations including refinancing, or c) a home or branch office in an MSA or activity involving property located in an MSA and totaling at least 5 applications for, originations of, or secondary purchases of home purchase loans.

PART V — PRIVATE & PUBLIC SECTOR DATA

Lenders meeting these requirements must submit detailed information on the disposition of home loans, including publicly disclosing the race, ethnicity, and sex of mortgage applicants, along with loan application amounts, household income and census tract in which the home is located, and information concerning actions related to the loan application.

HMDA data is consequently the most comprehensive collection of information regarding home purchase loan originations, home remodel or home improvement loan originations, and refinancing activity, and it can provide a fairly detailed picture of lending activity throughout each state, in each Metropolitan and Micropolitan Statistical Area of each state, and in non-MSA areas of each state, down to the census tract level. The analysis presented in this section is therefore based on HMDA data. It should be noted, however, that there is still not enough data to conclude definite redlining or discrimination practices. HMDA data lack detailed information on loan terms and borrower credit history, creditworthiness, etc., and while lenders may specify multiple reasons for denial, these fields are not required. Detailed HMDA data is also “raw,” meaning that it may contain entry errors or incomplete information.

LOAN ACTIVITY

HMDA does provide an overall picture of lending activity over time for the state. For example, during the three-year period from 2008 to 2010, just over 1 million loan applications were reported by participating lenders for home purchases, home improvements and refinancing. In 2010, the most recent year for which complete data is available, 86,005 applications for home purchase loans were reported, which is fairly consistent with 2009 but significantly lower than 2008 when over 100,000 applications were submitted. This clearly reflects the downturn in the residential market and sluggish home sales. Somewhat fewer applications, or 73,111, were for home improvement loans, and nearly double that number, or 142,641, were from homeowners seeking to refinance existing home mortgages. By comparison, substantially fewer home improvement loans were applied for in 2009, while refinance loans peaked at almost 200,000. The table below shows applications for each type of loan for 2008 through 2010.

**Home Loan Applications by Loan Purpose
South Carolina, 2008 - 2010**

Loan Purpose	2008	2009	2010	Total
Home Purchase	107,652	87,651	86,005	281,308
Home Improvement	169,939	8,612	73,111	251,662
Refinance	147,317	194,751	142,641	484,709
Total	424,908	291,014	301,757	1,017,679

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

This larger dataset describes home loan applications in South Carolina, but does not necessarily address the fairness of lending patterns in general or those that limit housing choice. The HMDA Home Purchase category above includes original mortgage loans for owner-occupied principal dwelling units, as well as original mortgage loans for other, non-owner occupied residential structures. Only the first of these is relevant to this analysis. Home improvement and refinance both pertain to units which have already been purchased and likewise do not reflect the ability of an individual to exercise free choice in the selection of a home. Within this set of overall HMDA loan data, therefore, home purchases and the ability to enter

PART V — PRIVATE & PUBLIC SECTOR DATA

into homeownership are of greatest concern, and this smaller universe of data has been targeted for the analysis contained in this section.

Considering only applications for home purchase loans, the majority of the 281,308 applications received, or 85%, were from prospective owner-occupants. The balance was for properties not to be owner-occupied or for which the property type was “not applicable.” This is shown in the table below.

**Home Purchase Loan Applications by Occupancy Status
South Carolina, 2008 - 2010**

Owner-Occupancy Status	2008	2009	2010	Total
Owner-Occupied	88,266	76,126	75,067	239,459
Not Owner-Occupied	18,984	11,302	10,763	41,049
Not Available	402	223	175	800
Total	107,652	87,651	86,005	281,308

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

Applications for home purchase loans are reported regardless of the financing decision or outcome. The HMDA data includes outcomes ranging from “Originated,” meaning the lending institution made a loan to the homebuyer, “Approved but not Accepted,” meaning the lender approves the loan but it was not accepted by the applicant, “Application Denied by Financial Institution,” “Application Withdrawn by Applicant,” “File Closed for Incompleteness” where the loan application was incomplete, and “Loan Purchased by the Institution” for previously originated loans purchased on the secondary market. For this analysis, only loan originations (approvals) and loan denials were considered as only these reflect the actual success or failure of home purchase loan applications.

Another distinction in the HMDA data is the location and type of property. Metropolitan Statistical Areas (MSAs) in the state generally correspond to areas which receive HOME and/or CDBG funding directly from HUD, must provide their own certifications regarding fair housing, and are required to conduct their own Analyses of Impediments and undertake their own local actions to address impediments, such as disparities in lending or other real estate related private sector activity. Outside the MSAs are smaller urbanized areas identified as “Micropolitan Statistical Areas,” which include Bennettsville, Chester, Dillon, Gaffney, Georgetown, Greenwood, Hilton Head-Beaufort, Lancaster, Newberry, Orangeburg, Seneca, Union and Walterboro, and the balance of the state or its rural areas. Collectively, micropolitan and rural South Carolina are less densely populated than the MSAs, with fewer housing units and a lower volume of home purchase and loan activity. Home purchase loan applications in non-MSA areas of the state are also more likely to involve manufactured housing. In MSA areas only 7.5% all home purchase loan applications involved manufactured housing, compared with 92.5% for the HMDA designation for non-manufactured housing, or 1-4 unit dwellings. In rural and micropolitan South Carolina, a higher 20.6% of loan applications involved manufactured housing and 79.4% involved 1-4 unit dwellings.

The table on the following page show levels of owner-occupant home loan purchase applications by MSA and non-MSA areas.

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Home Purchase, Owner-Occupied Loan Applications By MSA Status in South Carolina, 2008 - 2010

Area of the State	2008	2009	2010
Metropolitan Statistical Areas (MSAs)			
Anderson	3,015	2,638	2,567
Augusta-Richmond County	3,278	2,852	2,957
Charleston-N. Chas.-Summerville	16,335	15,304	15,536
Charlotte-Gastonia-Rock Hill	6,624	5,471	4,723
Columbia	16,868	14,978	13,619
Florence	3,220	2,512	2,383
Greenville-Mauldin-Easley	12,651	10,383	10,442
Myrtle Beach-N. Myrtle-Conway	5,405	4,450	4,241
Spartanburg	4,820	4,258	4,687
Sumter	2,032	1,737	1,652
MSA Total	74,248 84.1%	64,583 84.8%	62,067 83.7%
Non-MSA Areas (Non-Urban and Micropolitan Areas)	14,018 15.9%	11,543 15.2%	12,260 16.3%
South Carolina Total	88,266 100%	76,126 100%	75,067 100%

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

Clearly, the majority of all applications for home purchase loans are consistently reported in the state's more urban metropolitan areas, with loans in these areas representing approximately 84% of all owner-occupied home purchase loan applications. The state's non-MSA areas represent a much smaller 15 to 16% share of statewide loan application activity. Another difference is that 79.7% of applicants in MSA areas were approved for a home purchase loan, compared to 65.6% in the non-MSA areas. By property type and income level, approval rates are also consistently lower in non-MSA areas, as shown in the tables on the following page.

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Home Purchase, Owner-Occupied Loan Applications by MSA Status and Property Type South Carolina, 2008 - 2010

Property Type	MSA	Non-MSA
1-4 Unit Dwellings		
Number Applications	112,618	19,031
Number Approved	92,881	14,114
% Approved	82.5%	74.2%
Manufactured Housing		
Number Applications	9,067	4,928
Number Approved	4,049	1,592
% Approved	44.7%	32.3%
All Property Types		
Number Applications	121,685	23,959
Number Approved	96,930	15,706
% Approved	79.7%	65.6%

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

Home Purchase, Owner-Occupied Loan Applications by MSA Status and Income Category South Carolina, 2008 - 2010

Income as Percent of HUD Median Family Income (MFI)	MSA	Non-MSA
0-30 % MFI		
Number Applications	2,327	345
Number Approved	846	81
% Approved	36.4%	23.5%
30-50 % MFI		
Number Applications	13,615	1,775
Number Approved	8,691	832
% Approved	63.8%	46.9%
50-80 % MFI		
Number Applications	32,624	4,726
Number Approved	25,382	2,964
% Approved	77.8%	62.7%
Total Low-Mod Income (0-80 % MFI)		
Number Applications	48,566	6,846
Number Approved	34,919	3,877
% Approved	71.9%	56.6%
80 % MFI and Higher		
Number Applications	71,635	14,431
Number Approved	61,369	11,394
% Approved	85.7%	79.0%

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

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Across the state, approval rates are significantly higher for 1-4 unit dwellings than for manufactured housing, and the approval rate for each property type is higher in MSA areas than non-MSA areas. In MSAs, 82.5% of home purchase loan applications for 1-4 unit dwellings were approved, as compared with 74.2% in non-MSA areas. Both rates are almost twice as high as rates for manufactured housing in MSAs (44.7%) and non-MSA areas (32.3%).

Across the state, approval rates increase with income, but again, within every income category approval rates are higher in MSAs than in non-MSA areas. Understandably, the lowest approval rates are for those at within incomes at or below 30% of the HUD Median Family Income or MFI for the area, ranging from 36.4% in MSAs to 23.5% in non-MSA areas. Conversely approval rates are highest for those at or above 80% MFI at 85.7% approved in MSAs and 79.0% approved in non-MSAs.

Given the geographic distribution of applications for home purchase loans, the HMDA data can also be examined to determine the rate of approval in the MSA and non-MSA areas, as well as by racial group and income level. It is important to segment the data by income first, in order to compare groups with similar ability to repay mortgage debt, afford downpayment and closing costs and other factors considered by lenders. Because property type can also affect mortgage lending decisions, the HMDA data has also been segmented by type: 1-4 Unit Structures and Manufactured Housing. The tables below provide this data, cumulatively for 2008 – 2010. (Note that the data below are only for approvals - applications resulting in a loan origination - or applications that were denied by the lender. All other outcome data is excluded from this analysis, as are applications for which race was not provided or available.)

Home Purchase, Owner-Occupied Loan Approval Rates 1-4 Unit Structures by Income Level and Race and Ethnicity Non-MSA Regions of South Carolina, Cumulative 2008 - 2010

Race	Percent of Applications Approved					Percent of Applications Denied				
	0-30% MFI	30- 50% MFI	50- 80% MFI	80% MFI +	Total	0-30% MFI	30- 50% MFI	50- 80% MFI	80% MFI +	Total
American Indian/ Alaska Native	0.0%	33.3%	42.9%	84.6%	66.7%	100.0%	66.7%	57.1%	15.4%	33.3%
Asian	0.0%	73.3%	62.5%	80.9%	75.3%	100.0%	26.7%	37.5%	19.1%	24.7%
Black/African American	14.9%	41.4%	54.9%	68.0%	52.1%	85.1%	58.6%	45.1%	32.0%	47.9%
Native Hawaiian/ Pacific Islander	n/a	n/a	37.5%	71.0%	65.0%	n/a	n/a	62.5%	29.0%	35.0%
White	28.5%	64.4%	75.9%	84.5%	79.9%	71.5%	35.6%	24.1%	15.5%	20.1%
All Races – Any Ethnicity	22.6%	55.6%	70.3%	82.1%	74.2%	77.4%	44.4%	29.7%	17.9%	25.8%
Hispanic - Any Race	n/a	48.4%	63.1%	79.2%	72.3%	n/a	51.6%	36.9%	20.8%	27.7%

NOTE: n/a indicates no applications

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

The table above does show disparities in approval ratings, across every income category, with African American applicants least likely to have a home purchase loan approved at 52.1%, followed by Native Hawaiian/Pacific Islanders and American Indian/Alaska Natives at 65.0% and 66.7% respectively. Asian applicants and Hispanic applicants, on average, were less successful than White applicants but more

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successful than other race and ethnic groups. White applicants were most successful, with just under 80% of all home purchase loans approved. Across all income groups, loan approval percentages for White applicants were between 14 and 23 percentage points higher than those for African American applicants, ranging from 28.5% for those with very low incomes (0-30% of the HUD Median Family Income or MFI for the area) to 84.5% for those with higher incomes (80% MFI and higher), while those for African American applicants range from 14.9% (0-30% MFI) to only 68% (80% MFI and higher). The converse is also true: denial rates are higher for African American applicants. Applicants in other racial categories experienced mixed results. Hispanic applicants fared worse than White applicants across all income categories, but the difference was less pronounced and overall success, at 72.3%. Asian applicants met with success similar to White applicants overall, with 75.3% of applications approved on average, but within income categories, the approval rate is higher for Asian applicants than for White applicants in some cases and lower in others. Low and moderate income applicants (0-80% MFI) indicating American Indian/Alaska Native and Native Hawaiian/Pacific Islander races met with the lowest success rates compared to White and African American applicants, but higher income applicants (80% MFI and higher) had approval rates higher than African American applicants.

Applicants seeking to purchase manufactured housing were generally less likely to have their applications approved, as shown by the table below. This is true across nearly all racial and income categories, reflecting the lending community's reluctance to finance these purchases.

**Home Purchase, Owner-Occupied Loan Approval Rates
Manufactured Housing by Income Level and Race and Ethnicity
Non-MSA Regions of South Carolina, Cumulative 2008 - 2010**

Race/Ethnicity	Percent of Applications Approved					Percent of Applications Denied				
	0-30% MFI	30-50% MFI	50-80% MFI	80% MFI +	Total	0-30% MFI	30-50% MFI	50-80% MFI	80% MFI +	Total
American Indian/Alaska Native	50.0%	40.0%	42.9%	33.3%	28.6%	50.0%	60.0%	57.1%	66.7%	71.4%
Asian	n/a	100.0%	100.0%	n/a	40.0%	n/a	0.0%	0.0%	n/a	60.0%
Black/African American	14.3%	23.6%	29.5%	34.5%	21.0%	85.7%	76.4%	70.5%	65.5%	79.0%
Hawaiian/Pac Islander	n/a	n/a	75.0%	n/a	33.3%	n/a	n/a	25.0%	n/a	66.7%
White	39.6%	45.2%	50.4%	57.9%	40.3%	60.4%	54.8%	49.6%	42.1%	59.7%
All Races – Any Ethnicity	25.0%	33.8%	41.3%	50.4%	32.3%	75.0%	66.2%	58.7%	49.6%	67.7%
Hispanic - Any Race	n/a	41.2%	51.7%	42.9%	33.7%	n/a	58.8%	48.3%	57.1%	66.3%

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

Notably, 22% of home purchase applications from African Americans involved manufactured housing and their approval success was lowest of all racial groups in the low and moderate income categories. By comparison, 13% of applications from American Indian/Alaskan Natives and 9% of applications from Whites involved manufactured housing, and the approval rate for both groups was much higher in these income categories.

PART V — PRIVATE & PUBLIC SECTOR DATA

In the state's MSAs, approval rates were substantially higher across all income categories for all racial categories of applicants except Asians. Also, the difference between the success rates for applicants of different races was not as pronounced in non-MSA areas.

Comparison of Home Purchase, Owner-Occupied Loan Approval Rates 1-4 Unit Structures, By Income Level and Race MSA and Non-MSA Regions of South Carolina, Cumulative 2008 - 2010

	0-30% MFI		30-50% MFI		50-80% MFI		80% MFI +	
Race	Non-MSA	MSA	Non-MSA	MSA	Non-MSA	MSA	Non-MSA	MSA
American Indian/ Alaska Native	0.0%	50.0%	40.0%	48.4%	42.9%	57.4%	33.3%	76.2%
Asian	0.0%	40.5%	100.0%	65.5%	100.0%	74.6%	n/a	84.1%
Black/African American	14.3%	36.2%	23.6%	61.8%	29.5%	72.6%	34.5%	76.2%
Hawaiian/Pac Islander	n/a	60.0%	n/a	65.7%	75.0%	68.6%	0.0%	88.5%
White	39.6%	43.8%	45.2%	74.9%	50.4%	84.6%	57.9%	88.6%
All Races – Any Ethnicity	25.0%	41.4%	33.8%	70.3%	41.3%	81.2%	50.4%	86.8%

NOTE: n/a indicates no applications submitted

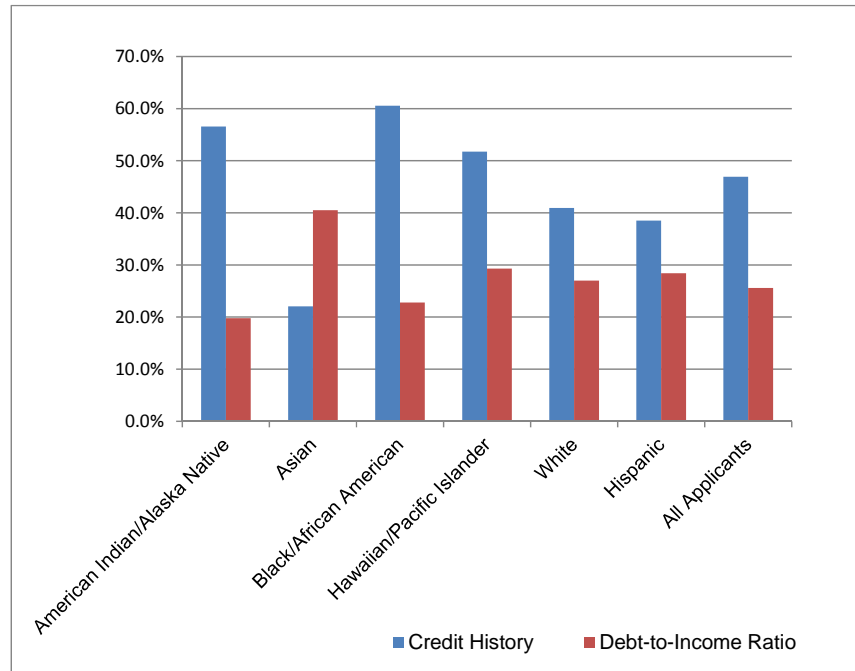
Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

HMDA provides several standard reasons which lenders can use when reporting loan application outcomes. These include collateral, incompleteness of the credit application, credit history, debt-to-income ratio, employment history, insufficient cash reserves for downpayment and closing costs, mortgage insurance denial, or unverifiable information on the application. Of these, during the period 2008 through 2010, credit history was the top reason for denial across all racial applicant groups except Asian, followed by debt-to-income ratio. For Asian applicants, these reasons were reversed. Within groups, however, there are variations in the degree to which credit history and debt-to-income ratio affected outcomes. Credit history was the reason for denial for more than half the applications from most groups except Asian, Hispanic and White, ranging from 51.7% for Native Hawaiian/Pacific Islanders to 60.6% for African Americans. Comparatively, credit history was less often the reason for denial for White (41%), Hispanic (38.5%) and Asian (22.5%) applicants.

Credit history and debt-to-income ratio combined accounted for more than three-quarters of loan denials for all but White, Hispanic and Asian applicants, and this explains a large part of the variance between approval rates for the different racial categories of applicants. It also indicates that financial literacy is a serious obstacle to homeownership for all race categories, with the greatest need for education in this area amongst African American and Native Hawaiian/Pacific Islanders, where these factors respectively accounted for 83.4% and 81% of loan denials. This is illustrated in the tables below.

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Credit History and Debt-to-Income Ratio as the Primary Reason for Loan Denial by Race and Ethnicity of Applicant South Carolina, Cumulative 2008-2010



Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

Other Reasons for Home Purchase Loan Denial By Race and Ethnicity of Applicant South Carolina, Cumulative 2008-2010

Reason for Denial	American Indian/ Alaska Native	Asian	Black/ African American	Native Hawaiian/ Pacific Islander	White	Hispanic	All Applicants
Collateral	8	37	316	2	1,912	77	2,566
Credit Application Incomplete	8	21	219	1	862	41	1,249
Credit History	60	79	3,758	30	5,735	264	11,004
Debt-to-Income Ratio	21	145	1,414	17	3,779	195	5,999
Employment History	2	17	117	5	511	38	734
Insufficient Cash for Downpayment, Closing Costs, etc.	2	18	164	1	536	22	820
Mortgage Insurance Denied		2	27		70	1	104
Unverifiable Information	5	39	187	2	597	48	963
Grand Total	106	358	6,202	58	14,002	686	23,439

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

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HIGH COST LOANS

In 2004, changes to HMDA reporting required lenders to document the “rate spread” for loans approved in addition to the race and ethnicity of applicants. These changes were in response to the Predatory Lending Consumer Protection Act of 2002, as well as the Home Owner Equity Protection Act (HOEPA). A “High Cost Loan” is defined as a loan with a significant rate spread, in turn defined as the difference between the annual percentage rate (APR) on the loan and the yield on treasury securities of comparable maturity (loan term). Rate spreads are only reported by financial institutions if the APR is 3 or more percentage points higher for a first lien loan, or 5 or more percentage points higher for a second lien loan. These loans are also known as “Subprime” loans.

The table below shows the trends in high cost loans over the past six years. The percentage of high cost loans to Whites has steadily increased over the period, while the percentage of such loans to African Americans (the Race Not Available category) has just as steadily decreased.

**High Cost Home Loans by Race
South Carolina, 2004 - 2009**

% of All High Cost Loans by Race	2004	2005	2006	2007	2008	2009
White	58.0	59.9	61.7	62.9	68.5	75.7
African American	27.2	25.1	24.3	23.9	21.5	16.4
Asian	0.6	0.8	0.8	0.7	0.6	0.6
Native American	0.3	0.3	0.3	0.3	0.3	0.3
Pacific Islander	0.2	0.3	0.2	0.3	0.2	0.2
Race "Not Available"	13.7	13.5	12.7	11.9	8.9	6.9

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

The actual amount of the rate spread seems to be, on average, somewhat consistent across categories of applicants by race, ethnicity and income. Although it is notable that Asian and Hispanic applicants, both of whom have the lowest rates of application denial due to credit history and debt-to-income ratios, also have the lowest average rate spread at 4.43 and 4.31, and African Americans who have among the highest rates of denial due to financial literacy have the highest average rate spread at 5.44.

**Average Rate Spread by Race and Ethnicity of Applicant
South Carolina, Cumulative 2008-2010**

Applicant Race/Ethnicity	0-30% MFI	30-50 % MFI	50-80% MFI	80% MFI +	All Income Levels
American Indian/ Alaska Native		5.91	4.30	4.50	5.05
Asian		5.46	4.66	4.23	4.43
Black/African American	5.52	5.86	5.48	5.11	5.44
Native Hawaiian/ Pacific Islander	3.63		5.09	4.59	4.74
White	5.96	5.48	5.12	4.56	4.88
All Races – Any Ethnicity	5.83	5.59	5.17	4.61	4.96
Hispanic – All Races	4.2	4.83	4.51	3.93	4.31

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

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To determine whether disparities in high cost lending exist, it is necessary to examine the data further to determine whether there is any disparity in the frequency with which applicants in each race or ethnicity category are approved for high cost loans. The table below shows the total number of loan applications approved for each race and ethnicity category, as well as the number of high cost loans and the percentage of high cost loans to total loans approved. For comparison, a total for all races (any ethnicity) is included as well, and the percentage of high cost loans for race categories other than White and Asian is generally higher for the three low and moderate income categories (0-30% of Median Family Income or MFI, 30-50% of MFI and 50-80% of MFI). For African Americans in particular, the percentage of high cost loans is also above average in the higher income category (80% MFI and higher) and consistently 3 – 5% higher than the rate of high cost loans for White applicants.

Notably, across all income groups, Hispanic applicants were the most likely to receive a high cost loan, with the difference most pronounced for the higher income groups. In the 80% and higher income category, the percentage of high cost loans for Hispanics at 66 percent is six times the next highest rate of 11 percent for African Americans. For lower income groups, the percentage of Hispanic applicants drops to a low of only 50%, compared to a low of 25% for Hawaiian/Pacific Islanders and 22% for African Americans. The rate of occurrence for all race and ethnic groups is shown in the table below.

**Rate of Occurrence of High Cost Loans by Race of Applicant and Income
Conventional Loans
South Carolina, Cumulative 2008-2010**

Applicant Race	0-30 % HUD MFI			30-50% HUD MFI			50-80% MFI			80% MFI and Higher		
	All Loans	High Cost		Total Loans	High Cost Loans		All Loans	High Cost		All Loans	High Cost	
American Indian/ Alaska Native	2	0	0%	27	9	33%	49	6	12%	195	9	5%
Asian	16	0	0%	129	10	8%	317	14	4%	1,131	40	4%
Black/African American	169	38	22%	1,936	330	17%	4,635	619	13%	6,179	664	11%
Hawaiian/Pac Islander	4	1	25%	26	1	4%	56	6	11%	165	8	5%
White	665	121	18%	6,659	782	12%	20,871	1,665	8%	57,786	3,339	6%
All Races – Any Ethnicity	856	165	19%	8,777	1,193	14%	25,928	2,450	9%	65,456	4,334	7%
Hispanic – Any Race	10	5	50%	58	31	53%	86	53	62%	106	70	66%

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

On its face, this data would appear to indicate a disparity in lending patterns which favors other racial groups over African Americans and all applicants of any race over Hispanic applicants. For African Americans, this may be explained in part by financial literacy. As discussed above, poor credit history and inadequate debt-to-income ratio, combined, were cited by lenders as the primary reason for denial of over 75% of home purchase loan applications from African Americans. This is higher than for other applicant race and ethnicity categories and indicates greater financial literacy challenges for this category of

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applicants, a fact which was reinforced by the frequency with which financial literacy was identified as an impediment to fair housing during the Consolidated Plan Focus Group meetings. Financial literacy has likely been an issue for applicants whose loans were approved as well as for those whose applications were denied. HMDA data is not sufficiently detailed to indicate the reason for rate spreads on approved loans, but experience indicates that lenders assign higher risk, and hence require higher interest rates to approve loans for borrowers with poor credit histories and/or high debt-to-income ratios. To analyze the average increase in interest rates and whether it is different between races of applicants, given similar creditworthiness, would require more information than is available from HMDA. For Hispanic applicants, credit history and debt-to-income ratio are less often the reason for loan denial, perhaps indicating that financial literacy is not the primary issue for this group.

Excessive rate spreads, or those over 8 percentage points which is the threshold for HOEPA loans, may offer some additional insight. These higher rate spreads are commonly associated with predatory lending practices, which are known to target borrowers with lower levels of financial literacy. They also contributed significantly to the foreclosure crisis still affecting real estate markets in South Carolina and the US. Between 2008 and 2010, HMDA indicates a total of 385 out of 85,981 loans were approved with a rate spread of 8 or more. A majority of these, or 93.8%, involved manufactured housing. All involved conventional loans versus those guaranteed by federal agencies like the FHA, VA or Rural Housing, which would allow for lower interest rates, but there is no additional data to indicate whether borrowers did not qualify or were not informed of these other loan options. The number of such loans is very small – only 385 out of 101,017 approved loans, which indicates a frequency of less than one-half of one percent and makes conclusions based on this small dataset less reliable. But, of the small number of HOEPA loans with rate spreads in excess of 8, African American borrowers reflect a high share and Hispanic borrowers the highest. The number of home purchase loans to Hispanic applicants is comparable to the number of loans to American Indian/Alaska Native and Hawaiian/Pacific Islander applicants, but 5.4% of loans to Hispanic borrowers qualify as very high cost HOEPA loans. This is consistent with rate spreads being higher for Hispanics across all income groups and further indicates that this minority group may face additional or greater barriers compared with other groups.

Rate of Occurrence of HOEPA Loans by Race and Ethnicity of Applicant South Carolina, Cumulative 2008-2010

Applicant Race	All Loans	HOEPA Loans
American Indian/ Alaska Native	273	0 0%
Asian	1,593	3 0.2%
Black/African American	12,919	116 0.9%
Hawaiian/Pac Islander	251	1 0.4%
White	85,981	265 0.3%
All Races – Any Ethnicity	101,017	385 0.4%
Hispanic – Any Race	260	14 5.4%

Source: Federal Financial Institutions Examination Council (FFIEC) Home Mortgage Disclosure Act (HMDA)

The negative impact of high cost and predatory loans is significant and has been validated by careful research. In 2005, the Center for Community Capital at the University of North Carolina examined home mortgages and identified three loan terms that increased the risk of mortgage foreclosure in subprime or

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High Cost loans: prepayment penalties, balloon payments, and adjustable rates. Previous studies also suggested that subprime loans set the stage for home loss, but the Center for Community Capital study was the first to identify specific loan terms or practices that could lead to foreclosure. Here again, financial literacy can help potential homebuyers protect against lenders who would take advantage of borrowers who are not aware of, or who do not understand the potential impact of, high fees and other loan terms typical of predatory lending.

PREDATORY LENDING

The state's original Analysis of Impediments was completed in 1997. Subsequently strong evidence emerged indicating that subprime lenders in South Carolina were routinely targeting families that could least afford high cost home loans. A number of these homeowners were elderly, poor, or uneducated, and lenders were taking advantage of their lack of financial literacy, promising loans that were "too good to be true," and pressuring borrowers to sign contracts they did not understand. At the same time, the number of pay day lenders in South Carolina had increased considerably from 274 in 1998 to 1,200 in 2008, and the state was adding about 52 new lenders each year, according to SC Fair Share. Both lending practices are considered predatory, and as more became known, the State acted in the following ways: updated its Analysis of Impediments to specifically incorporate predatory lending, enacted new legislation aimed at curbing predatory lending and began a long legislative struggle to strengthen state laws governing pay day and mortgage lending. Each of these is described in greater detail below.

The 2003 Update to the Analysis of Impediments identified two new impediments as well as strategies for addressing them. The impediments were:

- Limited data is available regarding the extent and characteristics of predatory lending in South Carolina.
- State resources for regulation, enforcement and education related to predatory lending are limited.

On June 3, 2003, the South Carolina High Cost and Consumer Home Loan Act, which protects consumers from unconscionable lenders and loan practices, was passed by the Legislature. The law took effect January 1, 2004. Following are some of the key measures in the law:

- The law bans "flipping" within 24 months of an existing loan without providing the borrower with a net tangible benefit. Each time a loan is flipped, it strips the home of equity wealth in the form of high fees.
- If refinancing with the same lender, points or fees cannot be charged. If financing or refinancing with a different lender, points or fees over 2.5% cannot be financed.
- Financing prepaid, single premium life, disability, or unemployment insurance is prohibited in all home loans as of January 1, 2005. Only credit insurance paid on a monthly basis is permitted. This is an important key element, since single premium credit insurance policies, when added into the loan and not disclosed; inflate a mortgage by thousands of dollars.

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- Prepayment penalties are not permitted on loans of \$150,000 or less. Prepayment penalties frequently surprise borrowers who attempt to pay off a loan before the scheduled date through refinancing or other means. The prepayment penalty would require the borrower to pay an unexpected fee to refinance or may prevent a borrower who otherwise qualifies from being able to refinance if desirable or needed.
- Disclosures regarding the material terms of the loan must be given 48 hours prior to finalizing the loan closing. If the terms of the loan change, a new disclosure must be given.
- Balloon payments are prohibited under the law. In this type of payment schedule, the borrower would have low monthly payments, but then a large “balloon payment” would due a few years later. If the borrower did not have the money for the payment (which could be double, or even triple the usual payment), the lender would foreclose on the home.
- Under the law, the mortgage broker must work in the “best interest” of the borrower. The broker must act as an agent of the borrower. If the broker acts as an agent of any other party in the mortgage transaction, it must be disclosed to the borrower.
- Anyone seeking to borrow money at a higher-than-market interest rate must attend a free credit counseling session to assist the borrower in understanding the terms of the loan. The counselor will also provide information on the advisability of the loan transaction and its appropriateness for the borrower. Additionally, the borrower’s “credit score” is included on the form. The credit score is a number between 300 and 850 that lenders use to give credit and at what cost. A higher credit score—in the 700’s or 800’s—means that the borrower could get “prime” loans at lower rates; a low score means that a borrower qualifies only for “subprime” loans. Knowing the credit score can help the borrower negotiate a better loan.
- Protects consumers who enter into home repair loans by mandating both the homeowner and contractor are named on any checks issued. The consumer will have the ability to refuse to endorse a check for incomplete work or work that was never started. Note: Does not include money for a new home construction loan or a purchase money loan for a home.
- Limits were also placed on lenders who make loans on car titles. Annual rates may still be excessively high, but the amount owed may not be renewed beyond six times. In addition, the borrower now has six additional months to pay off the debt with no new interest added.

Next, during the 2007 and 2008 legislative sessions the South Carolina state legislature began focusing on pay day lending practices, or “deferred presentment transactions.” Numerous bills were introduced that offered several different approaches, from making pay day lending illegal to various limits on pay day lending activity. During the 2009 legislative session, the debate continued with a total of 13 bills introduced and proposals that ranged from completely banning pay day lending to limiting activity. The result was legislative changes that created new restrictions on payday lending, or “deferred presentment

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transaction” activity in the state. Specifically, pay day lenders are prohibited from making a loan to an individual who:

- Has an outstanding open pay day loan,
- Has entered into an extended payment plan agreement on any prior pay day loan and still has a balance left to repay, or
- Has repaid any previous pay day loan from any lender on the same business day, or if the new loan will be the eighth consecutive loan in any calendar year, has repaid any previous pay day loan on the same or prior business day.

This effectively limits the number of open pay day loans to one per borrower and creates a 24-hour to 48-hour waiting period before entering into a new loan, with the longer waiting period applying for individuals who have already had seven loans in a calendar year. In all cases, a borrower can also get out of a pay day loan, at no cost, if canceled within one day.

Other restrictions relate to the amount of loans and to extended payment plans. The maximum amount of any pay day loan is now \$550, but this is exclusive of fees which generally push the cost of the loan much higher. Extended payment plans are used when a borrower is unable to repay a pay day loan, but borrowers have not always been aware of this option and there were no controls on them. Now, by law, any borrower may request an extended payment plan for one 12-month period, and lenders are required to post notices of the availability of this option. Further, per statute, the terms of the extended payment plan must allow the customer to repay the outstanding loan balance and any fee due in at least four substantially equal installments, at no cost to the customer.

Lenders are required to verify eligibility of applicants for loans, and to this end the Consumer Finance Division of the Board of Financial Institutions was required to implement an online database. The database includes information on individual loan transactions, loan amounts, and dates loans were opened and closed, and it offers operational, real-time access to the Board and to lenders. The system allows lenders to perform the required verification of eligibility of applicants and report new loans and extended payment plans. Lenders must advise applicants of the existence and use of the system, including the fact that personally identifiable information entered into the database is confidential and not subject to disclosure under the Freedom of Information Act. Applicants deemed not eligible for a pay day loan, as a result of the database verification process, must be told why and can make a direct application to the database provider to obtain a more detailed explanation.

Finally, the legislation passed in 2009 contained some significant reporting requirements. The Board of Financial Institutions must provide reports to the General Assembly each year, and the Senate Banking and Insurance Committee and House of Representatives Labor, Commerce and Industry Committee must meet annually to hold a hearing concerning the data provided by the database vendor and the report submitted by the Board of Financial Institutions. Both the vendor and the Board must testify at the hearing and answer any questions regarding the data or the report, which must include the number of:

- Loans made each year by loan amount and the dollar amount of fees collected by loan amount.

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- Borrowers by loan amount and the number of borrowers by the number of times each borrower took out a loan.
- Borrowers who chose to pay off their loans through an extended payment plan by loan amount.
- Loans that were not paid off in the previous year by loan amount.
- Loans on which the lender submitted the check for collection by loan amount and the number of loans on which the lender took action for collection.

The number of 24-hour periods within which a successive loan is conducted after a prior loan is completed.

Also in 2009, legislation aimed at further regulating the home mortgage industry passed into law and resulted in the South Carolina Mortgage Lending Act. The Act focuses on licensing and regulation of mortgage lenders and brokers and specified requirements for lenders dealing with high cost loans including:

- Requirements for adjustable rate mortgages and reverse mortgages,
- Licensing requirements for mortgage lenders, brokers, loan originators, processors and underwriters, including pre-licensing education and experience requirements, background and criminal history checks, financial responsibility, character and general fitness requirements, and surety bonds,
- Separate licensing for each principal and branch office where business is conducted,
- Annual renewal of licenses contingent on continuing professional education,
- Collection of a mortgage log data including credit score of borrower, loan type (adjustable vs. fixed rate), loan term, annual percentage rate and appraised value of collateral, and submission of this data to the SC Department of Consumer Affairs each year,
- Annual reports relating to all mortgage loans made, serviced or brokered by a licensee, including specific data on loans that are delinquent, in foreclosure or foreclosed during the prior calendar year,
- Annual reporting of gross revenue earned in the state and the total dollar amount of points charged and points paid to brokers, including yield spread premiums, and maximum amount available, outstanding balance and expiration date of the licensee's four largest warehouse lines of credit during the year,
- Reporting to the SC Department of Consumer Affairs and reporting of aggregate, composite data obtained by DCA to the public,
- Stiff penalties for mortgage fraud,

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- Information disclosure requirements and prohibitions against lending without regard to repayment ability on high cost loans, adjustable rate loans and reverse mortgages.

This legislation represents progress toward restricting predatory lending activities in South Carolina; however, predatory lending has not entirely been eliminated and remains an impediment to fair housing choice in this state. Predatory lending was reported as an impediment to fair housing by 63% of survey respondents, and it was also cited specifically in the short answer section of the survey by many. Predatory lending also goes hand in hand with the lack of financial literacy on the part of many prospective low and moderate income homeowners, which was the subject of much discussion during the regional focus groups convened to discuss community and economic development and housing needs.

HOME FORECLOSURE ACTIVITY

The national home foreclosure crisis and accompanying economic effects have affected most states. The initial rise in home foreclosures was the result of several factors, including the proliferation of the subprime lending market during the height of the building boom, speculative investment and predatory lending practices. The second wave of home foreclosures in many locations throughout the country came about because of the prolonged economic recession and accompanying rises in job loss and unemployment.

Foreclosure activity has forced many families and individuals from their homes and has increased the demand for rental units, whether apartments or rental homes. This idea was expressed often in the course of the focus group meetings conducted as part of the Plan preparation. There is no data source to determine the number of homes, foreclosed or other, that have become rental units.

**State of South Carolina
March-August, 2010**

Month	Pre-Foreclosures	Auctions	REOs	Total Foreclosure Activity
March-10	1,719	792	1,288	3,799
April-10	1,520	654	971	3,145
May-10	1,826	953	1,285	4,064
June-10	1,407	183	1,189	2,779
July-10	1,536	802	1,450	3,788
August-10	1,574	554	1,261	3,389

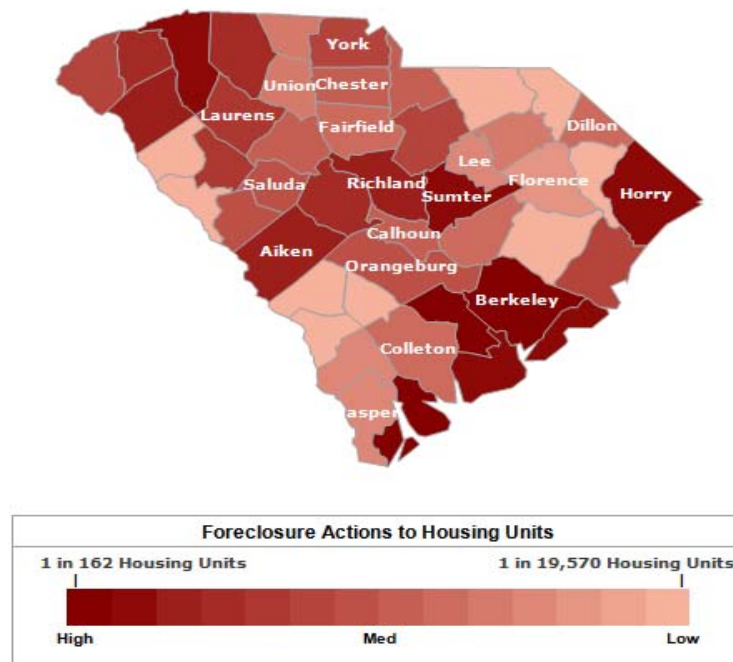
Source: RealtyTrac, September 2010

The decline in housing prices and the increase in the number of foreclosures did not have a positive effect upon affordability. Though the decline in price might well be significant, a decrease does not typically eliminate the affordability gap, nor make the ownership and maintenance of the property any easier for a low-income household. Much of the State's foreclosure activity occurred in the beachfront areas and some of the faster growing urban and suburban areas, where housing prices were beyond the affordable range in any event.

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The map below, from RealtyTrac, shows the level of foreclosure activity in South Carolina in 2010 by county. This map corroborates the observation that much of the foreclosure activity has been concentrated in the State's beachfront and urban/suburban areas. The State's overall foreclosure rate was one property in 682, a rate lower than the national rate of one in 501.

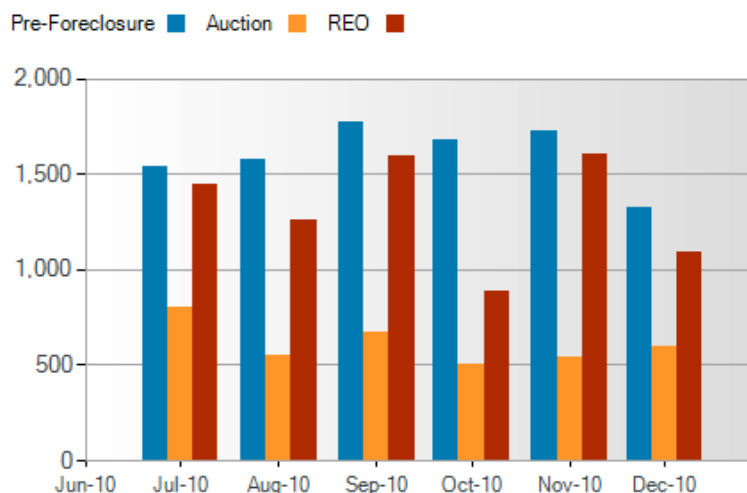
**Foreclosure Activity by County
South Carolina, 2010**



The chart below, again from RealtyTrac, shows that the overall rate of foreclosure activity decreased through the end of 2010. The number of Pre-foreclosures and Real Estate Owned (REO) by banks both declined though the number of properties for auction increased somewhat.

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Rate of Foreclosure Activity
South Carolina, June – December 2010



In March 2010, the US Treasury Department designated South Carolina as one of the nation's "Hardest Hit" by the economy and foreclosures. Significant federal resources were provided to help deal with the housing crisis. In spite of tremendous new resources and the combined strength of federal and state efforts, the economic downturn has not abated and foreclosure and unemployment pose an ongoing challenge in South Carolina. According to RealtyTrac, 1 in every 668 housing units in South Carolina received a foreclosure filing in April 2011, which is slightly better than the national rate (1 in every 593 housing units), better than neighboring states like Georgia (1 in 479) and Florida (1 in 451), but worse than other Southeast states like Tennessee (1 in 1,057) and North Carolina (1 in 1,530).

The table below shows counties in South Carolina with the highest rates of foreclosure filing as of April 2011.

**South Carolina Counties with the Highest Rate
of Foreclosure Filing**

County	Foreclosure Rate
Dorchester	1 in 276 units
Fairfield	1 in 315
Beaufort	1 in 348
Charleston	1 in 386
Richland	1 in 443
Horry	1 in 483
Berkeley	1 in 502
York	1 in 511
Lexington	1 in 536

In February 2011, CNN identified ten hot spots in terms of the increase in foreclosure activity, and both the cities of Spartanburg and Myrtle Beach ranked 1st and 3rd highest in the nation. Another source, the

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Kaiser Family Foundation, ranked South Carolina 15th in the nation as of December 2010, which is an increase over its rank of 22nd in the nation one year prior. The rate of foreclosure reported by the Kaiser Family Foundation was similar to RealtyTrac's rate as of April 2011, or 1 in every 682 units. Of significance is the absence of any real improvement over December 2009 when Kaiser reported a foreclosure rate of 1 in every 663 housing units. Other South Carolina measures are provided by the Center for Responsible Lending, which reports a 57% increase in foreclosures starts since 2006, in spite of a 20% decrease in foreclosure started since first quarter 2010, and continues to project foreclosures for 2009-2012 of 98,732.

New state efforts at tracking and reporting mortgage activity should help provide a better understanding of issues statewide and provide partner agencies with better access to timely data.

CRA RATING

The Community Reinvestment Act (CRA) is intended to encourage regulated financial institutions to help meet the credit needs of entire communities, including low and moderate-income neighborhoods. CRA ratings are provided for the main or regional headquarters of the financial institution. Depending on the type of institution and total assets, a lender may be examined by different agencies for its CRA performance. Databases maintained by the Federal Reserve Board (FRB), Federal Financial Institutions Examination Council (FFIEC), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) were researched for the performance of the top financial institutions issuing home loans.

Among the lenders active in the State, twelve received ratings from the FFIEC. The table below shows the rating received by these financial institutions. All lending institutions examined received either Outstanding or Satisfactory ratings.

**FFIEC Interagency Community Reinvestment Act (CRA) Ratings
South Carolina, 2010**

Institution Name	State	Supervising Agency	Year Rated	Rating
Suntrust Bank.	GA	FRB	2007	Satisfactory
Bank of America, N.A.	NC	OCC	2006	Outstanding
JPMorgan Chase Bank, N.A.	NY	OCC	2007	Outstanding
Wells Fargo	SD	OCC	2009	Outstanding
Wachovia Bank N.A.	NC	OCC	2006	Outstanding
First Citizen (SC)	SC	FDIC	2006	Outstanding
Carolina Federal Savings Bank	SC	OTS	2010	Satisfactory
CapitalBank	SC	FRB	2009	Satisfactory
Carolina Bank & Trust	SC	FDIC	2004	Satisfactory
Carolina First Bank	SC	FDIC	2007	Outstanding
Enterprise Bank	SC	FDIC	2007	Satisfactory
The Bank of South Carolina	SC	FDIC	2009	Satisfactory

Source: Federal Financial Institutions Examination Council's (FFIEC), 2010

MARKET CONDITIONS AND FINANCING

Economic conditions and housing market conditions are undergoing tremendous change. The unemployment rate in South Carolina continues to rank among the highest in the nation, and although the pace of foreclosures has begun to slow nationally as well as regionally in South Carolina, the overall number of properties undergoing or at risk of foreclosure remains high. According to the Bureau of Labor Statistics, the state's unemployment at 10.7% ranked sixth highest in the nation as of October 2010. This is a slight improvement since January 2010, when the state unemployment rate was 12.6% and the fourth highest in the nation. In terms of foreclosures, the Kaiser Family Foundation ranks South Carolina 22nd in the nation, with a foreclosure rate as of January 2010 of 1 in every 663 housing units. South Carolina is faring somewhat better the nation on average, since the national average of 1 in 406 units is heavily influenced by extremely high rates of foreclosure in the top states. Other South Carolina measures are provided by the Center for Responsible Lending, which reports the most recent annual increase in new foreclosures starts at 26%, an increase in foreclosure starts since 2006 of 92%, and projected foreclosures for 2009-2012 of 98,732. All of this translates into lost home equity, increased demand for affordable rental housing and a persistent need for tools to help existing homeowners maintain or regain affordable housing.

PRE-HOUSING COUNSELING

The lack of pre-housing counseling is a primary concern, as indicated by the extent of mortgage foreclosures in this state. Lack of pre-housing counseling was also identified by 61% of respondents to the state's 2008 fair housing survey as an ongoing impediment, and one which results in an inadequate understanding of the financial responsibilities of owning or renting a home.

The State Housing Finance and Development Authority (SHFDA), the state agency responsible for administering the HOME Program in South Carolina, requires housing counseling as part of any project involving down payment or closing cost assistance, new housing construction or housing rehabilitation and will continue to provide this counseling.

SHFDA has also made high-cost home loan housing counseling available through its website, www.schousing.com. In fact, first-time homebuyers participating in SHFDA programs, where the homebuyer's loan is determined to be a high cost loan, are required to participate in free counseling as to the advisability of the loan transaction and the appropriateness of the loan for the borrower. Counseling must be provided by a SHFDA-approved housing counselor and covers the items outlined below.

Borrower's Individual Circumstances

- Purpose of loan
- Borrower's credit history
- History of repeated financing
- Amount of equity in home
- Borrower's ability to repay
- Did the borrower shop or compare rates and terms with other lenders?
- Right to cancel within three days in refinancing transactions

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Loan Terms

- Amount of Loan
- Interest rate/ Annual Percentage Rate (APR)
- Whether the loan contains a fixed or variable rate
- Duration of the loan
- Monthly payment amount
- Whether the loan is for real estate, or for manufactured housing

Loan Fees

- Loan origination fee
- Discount points
- Commitment fee
- Broker compensation (including the yield spread premium)
- Loan application fee
- Other lender fees

HUD approved housing counselors are also located throughout the state and these have been important providers of assistance to homeowners threatened by or undergoing foreclosure.

SHFDA also annually holds an Affordable Housing Forum at which housing consumer education sessions are typically featured. SHFDA will continue to host this forum, thereby helping to achieve the Commission on Minority Affairs' goal of facilitating homeownership workshops and distributing information on housing and homeownership programs.

Another important player in the arena of housing counseling is the SC Department of Consumer Affairs (DCA) which has stepped up its consumer education efforts with respect to all types of lending and mortgage lending in particular. DCA activities include:

- Introduction of a statewide mortgage fraud hotline in June 2008. During its first six weeks, the hotline assisted over 180 consumers with issues ranging from suspected fraud and deceptive mortgage practices to mortgage difficulties and requests for business information. Over 80 of the calls reported possible incidents of unfair and criminal practices which SCDCA investigated further. An expert staff mans the hotline and provides assistance, files complaints with SCDCA which will be worked by a case analyst, and makes referrals to appropriate state agencies, credit counselors and other agencies and non-profits specializing in legal and mortgage assistance.
- Launch of a listing of potentially predatory lenders on the SCDCA website. The site now lists all businesses in the state that charge interest rates in excess of 18% and which, per South Carolina law, are required to file with the SCDCA.

A series of free public workshops on credit counseling and repair and identity theft provided at SCDCA satellite locations around the state.

OTHER FAIR HOUSING CONCERNS

PUBLIC SURVEY DATA AND TRENDS

In 2008, the State conducted a fair housing survey of local governments that had previously received CDBG funds or “State-funded local jurisdictions” as defined by HUD for fair housing purposes. As prior or current recipients of CDBG funds, these local governments were required to certify to affirmatively further fair housing, and were therefore expected to have a reasonable understanding of fair housing issues and compliance. The Department of Commerce sent the survey to public officials and administrators of these State-funded jurisdictions, as well as to community representatives, planners and staff of the regional Councils of Government, which serve these communities.

Results of the 2008 survey were compiled in 2009, used to inform the State’s fair housing planning efforts, and communicated to local governments and other interested parties. Most importantly, findings were considered during the development of the 2011-2015 Five-Year Consolidated Plan, for which a community survey was conducted and which included a Fair Housing component. The early 2008 survey results also informed the conversations held during the Focus Group meetings conducted during development of the Consolidated Plan. The results of the 2008 survey formed a baseline for additional research and updates and are summarized below.

AWARENESS

- 38% of respondents stated there was no general understanding of the Fair Housing Act by the general public.
- 40% of the respondents indicated that the general public was not aware of the role that the SC Human Affairs Commission plays in Fair Housing.

PROCEDURES

- 61% of respondents had an established procedure in place to deal with fair housing issues.
- 77% of respondents reported that social service organizations are doing a competent job of making fair housing referrals.

PRIVATE SECTOR

- 61% of the respondents reported that a lack of pre-housing counseling leaves both renters and sellers with insufficient understanding of the financial responsibilities that come with renting or buying a home.
- 83% of respondents indicated that realtors and public housing agencies include Equal Opportunity Employment and/or Fair Housing language in their advertising for housing vacancies.
- 48% of respondents indicated that builders and developers and 44% of property owners were not aware of Americans with Disabilities Act requirements that address basic housing needs for the disabled and elderly.

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- 63% of respondents indicate that predatory lending is viewed as a Fair Housing impediment.

PUBLIC SECTOR

- 52% of respondents stated that zoning laws or regulations restrict or limit manufactured housing, rental unit locations or group homes in their communities.
- 58% of respondents indicated that their community had examined its building, zoning, and/or permitting requirements to eliminate those that restrict affordable housing.

AFFORDABLE HOUSING BARRIERS

- 90% of respondent stated that a lack of job opportunities affected where one lives.
- 60% of respondents stated that there is a lack of affordable rental housing for low income individuals making 50% of the median income. In addition, 52% of their responses indicate that both moderate income individuals earning 80% of median income and those earning 120% of median income are also experiencing an inability to find affordable rental properties within their means.
- 75% of respondents cited the fact that a lack of transportation imposes additional restrictions on where an individual or family with low-moderate income may live.

Regarding fair housing activities as of the date of the 2008 survey, respondents indicated a majority had passed fair housing ordinances prohibiting discrimination and that most had an established procedure for dealing with fair housing complaints. The percentages are shown below.

2008 Fair Housing Survey Responses

Response Type	Respondent's Community Has Passed Fair Housing Ordinances		Respondent's Community Has Established Procedures for Handling Fair Housing Complaints	
	Number	Percent	Number	Percent
Yes	37	77%	29	61%
No	9	19%	16	33%
No Response	2	4%	3	6%

Source: SC Department of Commerce, Grants Administration

Respondents to the 2008 Survey also indicated the following as commonly perceived barriers to fair housing:

- Lack of infrastructure
- Lack of transportation to work
- Lack of affordable rental and homeownership choices
- Lack of funds for housing
- Lack of counseling services

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- Lack of model tools and strategies to facilitate provision of affordable housing
- Effects of predatory lending
- NIMBY Factor

In the fall of 2010, in conjunction with the development of the 2011-2015 Five-Year Consolidated Plan, the State conducted a community survey that included questions on Fair Housing. The South Carolina Department of Commerce notified a wide body of constituent groups of the availability of the survey, which resulted in participation by municipal officials, economic and community development agencies and organizations and non-profit organizations active in the areas of housing, social services, and community development. The link to the Web-based survey was sent to designated persons with the assistance of the Consolidated Plan partner agencies and the ten Councils of Government, and paper copies of the survey were made available to local governments without internet access. Finally, at the focus group meetings described below, participants were urged to complete the survey if they had not already done so. A link to the survey was also placed on the Department of Commerce Website, providing access to the survey to anyone visiting the CDBG web page. The survey was open for response between mid-June and the end of July, during which time the Department of Commerce received 253 responses. The results of the 2010 survey revealed the following:

- Fifty percent of respondents found discrimination sometimes or often in their communities. Seventy five percent of respondents felt discrimination was becoming less of an issue than those who found it increasing.
- There was consensus that real estate professionals and lenders understand fair housing well, but that buyers and sellers do not understand the subject well, which is natural. The percentage of respondents who feel that people do not understand fair housing at all is under five percent for all groups, whether professional or lay.
- Almost one-half of the respondents, regardless of their professional or employment affiliation have received some degree of fair housing training.
- Forty-four percent of all respondents note that people do not know how or where to report housing discrimination.
- Most respondents have planning departments and zoning ordinances and almost half say most are not aware of or don't use affordable housing incentives to increase choices such as density, bonuses, etc.

FOCUS GROUP RESULTS

The Department of Commerce issued invitations to persons and organizations with a knowledge of or interest in CDBG, HOME, ESG, and HOPWA programs to participate in a series of focus groups around the state. Five of these meetings were regional, focusing on the rural areas typically served by the State programs, while the sixth meeting, held in Columbia, focused on Special Needs populations. Though fair housing was not the focal point of these meetings, each group was asked to discuss and rank previously identified impediments to Fair Housing, as well as issues of greatest concern for community development. Financial literacy in particular arose both in discussions of overall community needs and during the more

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targeted discussion of impediments to Fair Housing. The consensus was generally that impediments previously identified remained an issue, despite improvement in some areas, and additional concerns emerged as well, including:

- Lack of financial literacy and poor credit history
- Need for post-housing counseling to complement and reinforce pre-housing counseling
- Age related eligibility restrictions for special needs housing
- A lack of housing able to accommodate an aging population
- Lack of accessible design in both housing and communities
- Criminal history as a barrier to obtaining housing
- Family status as a barrier to obtaining housing
- An inadequate number of advocate organizations

The Focus Group meetings occurred at the height of foreclosure filings in the state, and the greatest concern was evidenced by participants in those areas hit hardest by foreclosure and during discussions of housing issues, especially as pertained to special needs populations. Other concerns commonly expressed during the focus group meetings were issues related to NIMBY, limited English language proficiency barriers, lack of affordable housing and lack of resources to address issues.

LIMITED ENGLISH PROFICIENCY

As noted in Part II – State Profile, Limited English Language Proficiency, or LEP, is an emerging public policy and fair housing issue in South Carolina. Available data, including results from the 2010 census, indicate a growing population that has a limited ability to speak and understand English, which can limit awareness of or access to government services and housing. At the public policy level, this not only may mean provision of translation at local needs assessment and annual action plan hearings, but may also create a need for materials like fair housing notices to be available in Spanish as well as English. Please refer to Part II for data on the LEP population in this state.

BARRIERS TO AFFORDABLE HOUSING

This section describes the factors, including governmental policies and actions that may constrain the construction or improvement of affordable housing. These factors include market conditions, poor credit issues, the availability and price of land, construction costs, the availability and cost of financing, and the regulations governing development and construction. The private sector provides housing through the development and construction of housing in a range of types, sizes, and costs, seeking to meet the local or area market demand. The public sector seeks to provide housing through a range of programs that are intended to assist developers in producing housing, both rental and for purchase that is affordable to persons and households in lower income ranges. At the same time, the public sector affects the housing market through policies such as zoning, building codes, provision of infrastructure, development regulations, and development fees and exactions.

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Other issues that affect the affordability of housing include costs such as water and sewer service, road construction and maintenance, property taxes, insurance, the availability of transportation and a lack of knowledge of laws and contracts on the part of homeowners and renters.

Affordable housing demand is determined by calculating current household income by household income category in relation to current housing costs. Disparities between household income and housing costs can create “affordability gaps” in homebuyer and renter demand along with increasing levels of cost-burdened households.

The following are regulatory factors that affect affordable housing in South Carolina:

- Local Government Zoning and Land Use Policy - Units of local government regulate the use of land in South Carolina. Each local government zoning policy and practice has a significant effect on the availability and development of affordable housing including lot sizes and setbacks.
- Administration and processing - Timing is an important issue in the development of affordable housing. Securing permits (building, environmental, etc.), multiple layers of reviews, and lengthy approval processes all can increase housing costs.
- Local Code Enforcement - Unified building codes or local codes are a significant factor in the quality and quantity of housing stock available.
- Local land development and site planning costs - Since there is no state-wide subdivision and site plan standard, policies are the responsibility of the local government including standards for streets, sidewalks, drainage, parking, water and sewer requirements and fees, landscape and other costs.
- Infrastructure - Before housing can be constructed, basic infrastructure must be in place. The land must have road access, sanitary water supply, and wastewater treatment. Infrastructure costs can be significant and may prohibit some production of affordable housing units.
- Lack of Resources – The State lacks adequate federal, state, local or private resources to address all housing needs. Greater resources are required to assist low and very low income households and to address housing, particularly in rural markets.

Considering that race persists as the most commonly cited basis for fair housing discrimination cases in South Carolina, it is not surprising that the South Carolina Commission for Minority Affairs, in its 2003 *African American Statewide Strategic Plan* identified racial disparities, along with income limitations and housing development, as one of the barriers to achieving affordable decent housing. The Commission's strategies for achieving the goal focus on using legislation to eliminate substandard housing and making safe housing available in all areas of the state.

ZONING AND LAND USE POLICY

Zoning and land use policy can affect the development of affordable housing in many ways. In 1997, when the state first examined barriers to affordable housing and impediments to fair housing choice,

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zoning did not exist in many rural areas. In many other communities, planning and zoning functions were in place but were focused on more traditional land use issues. Currently, zoning is more widespread and most of the state's larger communities have planning and zoning functions. A number of communities even report that they have examined their existing land use policies to identify barriers to fair and affordable housing. The 2008 fair housing survey sought to determine how many local governments are examining their building, zoning and/or permitting requirements to eliminate those that restrict affordable housing and affordable housing development. 58% indicated this action, perhaps indicating that approximately half of the participants in the survey have developed zoning ordinances and are subject to the provisions of the South Carolina Priority Investment Act.

However, numerous respondents to the 2008 survey also cited zoning issues as barriers affecting affordable housing development. Specifically:

- 52%, or more than half of all respondents, reported that zoning laws or regulations restrict or limit manufactured housing, rental unit locations and supportive group housing in their communities.
- 63% responded that scattered sites are not available for subsidized housing, indicating a geographical segregation of subsidized housing in certain areas, although the survey results were not adequate to identify the cause and whether zoning and land use policies made an impact.

Although the power to regulate zoning and land use policy in South Carolina continues to lie at the local level, thereby giving fairly broad discretion to local zoning boards, there have been developments in state level legislation. Beginning in 1994, the South Carolina Local Government Comprehensive Planning and Enabling Act was passed, mandating that all communities that had planning capacity at the time comply with the new requirements of the Act, including adherence to an established set of seven elements that local comprehensive plans were to address. The Planning Act did not require local governments to undertake comprehensive planning, but it did represent a step toward state level legislation aimed at ensuring better planning and zoning around the state.

In 2007, the legislature passed the South Carolina Priority Investment Act, which amended the Planning Act of 1994 to require a more coordinated approach to growth, prioritization of public projects, protection of environmental and other resources, and careful planning and cooperation between adjacent local governments and entities with overlapping jurisdictions. The Priority Investment Act did not broaden the state level mandates of the 1994 Planning Act to require communities without zoning to develop comprehensive plans, but it did add substantially to the existing state level mandates for local governments *with* zoning. The 2007 Act also contains a strong housing component and requires local governments with existing comprehensive plans to substantively revisit and update them.

Specifically, the Priority Investment Act added two new components to the planning process that must be followed by all county and municipal governments that develop zoning ordinances.

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- A new transportation element requires local governments to consider all transportation facilities, including all roads, transit projects, pedestrian and bicycle projects, as part of a comprehensive transportation network.
- A new priority investment element requires local governments to analyze available public funding for public infrastructure and facilities over the next ten years and to recommend projects for expenditures of those funds for needed public infrastructure. This element will require more prioritized planning for infrastructure and facilities such as water, sewer, roads and schools, and it will require coordination between governments, governmental entities and utilities that are affected by or have any planning authority over the public project. Entities that a local government may be required to consult with include county and municipal governments, public service districts, public and private utilities, transportation agencies, etc.

The Priority Investment Act also created new zoning tools related to housing. To this end, the Act made the following changes:

- Amended laws governing local planning commissions, requiring them to re-evaluate the housing element of their comprehensive plans to:
 - Identify administrative barriers, in particular nonessential housing regulatory requirements that add to the cost of developing affordable housing but are not necessary to protect the public health, safety or welfare, and
 - Analyze restrictive zoning and review and consider addressing this barrier through market-based incentives such as density bonuses, design flexibility and streamlined permitting that would encourage development of affordable housing development.
- Amended regulations governing local zoning districts to allow market-based incentives and elimination of nonessential housing regulations.

A guide for implementing the Priority Investment Act was developed by the South Carolina Chapter of the American Planning Association in collaboration with the South Carolina Association of Counties, the Municipal Association of South Carolina, and the South Carolina Coastal Conservation League and published in October 2008. As the county and municipal organizations, and the local planning chapters, continue to emphasize the Priority Investment Act, and as funding becomes tight and budgets are being stretched, prioritized planning is becoming a higher priority and more local governments are initiating or expanding their planning efforts.

A less obvious factor related to zoning is the lack of zoning and county land use plans, traditional lack of understanding of state and local land use policies and failure to engage local residents in the planning process in the state's predominantly African American communities. In its 2003 *African American Statewide Strategic Plan*, the Commission on Minority Affairs established several goals to address this, which generally correspond to the lack of zoning as an impediment to fair housing. A key goal is encouraging

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development of County Comprehensive Plans and actively engaging African Americans in these county processes.

ADMINISTRATION AND PROCESSING

In addition to the development and enforcement of zoning and land use policy, local governments are also responsible for issuing approvals and permits required as part of the affordable housing development process. Inherent in these processes are often subtle barriers arising from the time and cost associated with the administrative procedures and processing time associated with these activities, including:

- Delays in the amount of time to process development applications; and
- Charging excessive fees for development permits.

PROCESSING PROCEDURES

Another constraint on housing development may be the amount of time required to review a given project. The time needed to complete the project review process is in conformance with state law requirements. The processing time limits vary depending on project complexity. A typical development application that does not involve long statutory public review takes between two and four months from the date of submittal to process. Final approval, including map recordation and issuance of building permits, is dependent on work volume and the developer's response time. In South Carolina, time can have a significant impact on development costs which ultimately affects housing affordability. Duplicative permits, multiple layers of reviews, and lengthy approval process all can add to housing costs. These delays increase the property taxes, construction loan interest, and force the developer to seek higher profit margins to compensate for the added project risk.

PROPERTY TAXES

Property taxes generate revenue to support a broad array of public facilities and services at the local level of government. However, it is also recognized that property taxes are a significant housing cost and therefore can impact affordability.

The State of South Carolina is known as a relatively low property tax state. South Carolina is one of the 37 states that collect property taxes at both the state and local levels. As in most states, local governments collect the greatest percentage of property taxes. According to the Tax Foundation, South Carolina's state/local tax burden percentage ranks 37th highest nationally, below the national average of 9.7%. The figure is estimated at 8.8% of income. South Carolina's localities collected \$920.25 per capita in property taxes in fiscal year 2006, which is the latest year the Census Bureau published state-by-state property tax collections. At the state level, South Carolina collected \$2.28 per capita during FY 2006, making its combined state/local property taxes \$922.54, which ranks 34th highest in the nation.

One impact of high property taxes is that taxes are part of a household's monthly housing costs. Thus, a potential homeowner who can afford his mortgage may not qualify when property taxes are an added factor.

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EXACTIONS AND FEES

Developers are required to make on/off-site improvements only to offset the impacts of development on the existing systems. These improvements include sewer and water lines, street dedications and safety services. In addition to the review fees, there are fees to offset the impact of development on the infrastructure in some areas. These fees are collected at the building permit stage for a host of services such as road improvements, drainage facilities, schools, fire facilities, etc. They may have an impact on the cost of development but are considered necessary to maintain the quality of life within the community.

LOCAL BUILDING CODES

Building regulations are essential to protect the health and safety of citizens and the general welfare of the community. Building Codes regulate the physical construction of dwellings and include plumbing, electrical and mechanical divisions, with the purpose being to protect the public from unsafe buildings and unsafe conditions associated with construction. While building codes have positive contributions, they can contribute to increased construction costs.

During the 1997 Legislative Session, a uniform building code was passed into law which requires all jurisdictions to use the Southern Building Code and to provide building inspection services. South Carolina worked toward this end for many years, and the result is standards which will help ensure quality specifications are met in new construction and rehabilitation. In many communities, however, older existing buildings reflect a substantially lower quality than new properties constructed to current code, and enforcement of codes remains a challenge for many communities.

TRANSPORTATION

Transportation and access to jobs and services is increasingly being recognized as an important aspect of housing affordability. The Center for Neighborhood Technology developed, and recently updated, the *Housing + Transportation Affordability Index*. This tool assesses the actual cost of living in an area in light of both housing and transportation costs. An analysis of many locations in South Carolina reveals that including transportation costs results in households in fact having a cost burden.

Residents in the rural areas of the State must have an automobile (often two vehicles), or find some other means to get to work or to obtain services and shopping. Rural transportation services are limited in their scope and hours of service, if available at all. Many transportation services are facing both rising costs and cuts in funding, which is often crucial to maintaining service.

DEVELOPMENT AND INFRASTRUCTURE COSTS

Site development and land development can represent major areas of cost in the production of housing, particularly in high growth areas of the state. As with zoning, issues related to land development and site planning are largely left to the discretion of the local government. South Carolina currently has no statewide subdivision and site plan standards. This allows localities to promulgate their own standards for such items as width of streets, curb and gutter requirements, sidewalk standards, landscaping standards, parking standards, right of way widths, water supply and service requirements.

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Development costs, including both land and infrastructure, also limit the development of affordable housing. Scarcity of vacant land was cited as a barrier to development by 63% of respondents to the state's 2008 fair housing survey. Where land is scarce, costs increase and these higher costs are passed onto homeowners and renters in the form of higher purchase and rental costs. Also, when land is available outside towns and away from economic hubs and job centers, the cost may be lower but an alternate cost is passed onto homeowners and renters: transportation costs. Affordable public transportation is typically unavailable in many rural parts of the state, and the cost of commuting added to purchase and rental costs makes housing even more unaffordable for many lower income residents of the state. Development of rural transportation and affordable "transit-oriented" housing, or housing located close to transportation hubs, is therefore an emerging priority for many communities, as well as for HUD.

Lack of public infrastructure to support new affordable housing development was cited as a barrier to housing development by 54% of the respondents to the state's 2008 survey. Basic infrastructure must also be in place in order for the land to be used for housing. Among the necessary requirements are roads and transportation making the site accessible, a sanitary water supply, and wastewater treatment facilities with sufficient available capacities. If not available, the cost of providing infrastructure will increase the cost to develop the housing and the ultimate cost to homeowners and renters, often making it unaffordable. Absence of infrastructure can, as a result, inhibit the production of affordable housing units. The responsibility for determination of infrastructure levels for housing development is given to local governments. Jurisdictions will sometimes increase infrastructure requirements in fear that multi-family dwellings and other intensive uses will add to traffic congestion and place unreasonable demands on their systems.

Development in the rural areas of the State requires infrastructure, either on-site or tying into services provided by nearby cities. This necessity increases the cost of development either way. Developers consider these costs in assessing a project, and build these costs into the price of the unit, often making the units unaffordable to lower income households. Though a number of more intense development or redevelopment projects have been undertaken across the State, market demand historically has tended to favor less intense, suburban development with the consequent higher prices for development.

The costs of land in the areas of greatest development around the State have increased steadily over the past decade. At the same time, development and construction costs have increased, due to both increases in labor costs and increased regulatory requirements, as noted above. Despite a decline in the price of construction materials during the recession, it appears that material costs have begun to increase in the summer of 2010. Many persons in low and moderate income jobs find that increases in their income cannot keep up with the increase in housing cost. This applies to homeowner units as well as rental units; increased costs in the latter result in rents that are often beyond their ability to afford.

NIMBY

NIMBY is based on misconceptions regarding what types of housing are affordable, how affordable housing looks and is typically maintained, what types of people fall into low-to-moderate vs. low and extremely low income categories and typically occupy affordable housing, and how the existence of affordable housing will impact a neighborhood. Residents often oppose the development of affordable housing for fear that it will lower property values, increase crime, and introduce other negative elements

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into their neighborhoods. These fears persist, despite attempts by affordable housing, smart growth and planning organizations throughout the state to promote income diversity within neighborhoods, the importance of an adequate supply of “workforce housing” to community sustainability and economic development, and the positive face of affordable housing. The result is that NIMBY is another barrier to fair housing, and one which tends to limit affordable housing opportunities to certain parts of a community.

SUMMARY

In South Carolina, housing market conditions and needs have been changing, first as housing costs soared and became “out of reach” for many lower income residents of the state, making the absence of affordable housing a primary obstacle to fair housing choice. Predatory lending activity also proliferated. Most recently, predatory lending contributed to a nationwide subprime mortgage crisis felt in all South Carolina markets. There have been, overall, substantial changes in housing market conditions, stemming from foreclosures as well as economic and employment changes.

The state has focused on fair housing issues and focused efforts on mitigating impediments to fair housing choice through education, outreach, making affordable housing more readily available and addressing capacity. Recognizing the importance of ensuring equal opportunity in housing for all citizens of South Carolina, and the persistence of impediments to fair housing, funds were also made available to assist units of local government and regional councils of government with research necessary to identify impediments to fair housing on a local, regional or statewide basis, and to develop specific strategies and actions to mitigate or eliminate impediments in communities throughout the state. As they are completed, these local analyses will provide additional data and resources on specific local conditions and progress towards mitigating impediments to fair housing choice in the state.

PART VI – IMPEDIMENTS TO FAIR HOUSING CHOICE

OVERVIEW OF FINDINGS

The purpose of fair housing planning and analysis is to foster a careful examination of factors which restrict fair housing choices. A review of the data, research, public outreach and other information collected from a wide range of sources assists in identifying impediments and developing a greater understanding of the conditions that affect fair housing choice for the residents of South Carolina, and in particular for the state's protected classes and special needs populations. Such data included census, fair housing complaints, lending and foreclosure, legal statutes, barriers to affordable housing and public input through surveys and forums. Following is a summary of the key findings:

SOCIO-ECONOMIC CONDITIONS

- Income limits affordable housing options and effectively narrows housing choices.
 - Income levels in South Carolina are relatively low and unemployment remains stubbornly high.
 - The poverty rate in the State is over 15 percent.
 - 90% of survey respondents said the lack of jobs was the greatest affordable housing barrier.
 - The cost of available housing exceeds the income of households at 30% and 50% of median income.
- Population growth patterns affect housing availability.
 - The greatest population growth is in the urban and coastal areas where jobs and housing are more plentiful. Rural areas lack basic infrastructure and job opportunities necessary to provide more housing choices and residents need greater transportation options.

SPECIAL POPULATIONS

- Accessible and affordable housing choices for persons with disabilities and the elderly may not be keeping pace with demand.
 - The State has a high percentage of disabled persons: 22.7% of the population between the ages of 21 and 64 have some type of disability, and 45.8% of persons 65 and over are disabled.
 - The percentage of elderly who often have special housing needs and lower incomes is over 17% of the total population.
- Persons with disabilities face unique limitations on housing choice that require flexible design and/or special accommodation to overcome.

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- Disability is increasingly the basis for fair housing complaints according to HUD FHEO data. Disability complaints have risen from 19.7 to 24.2% and as of 2010 is the second most commonly cited basis for complaints.
 - Responses to fair housing surveys indicate many property owner and developers are unaware of the accessibility requirements of the ADA and/or lack awareness or understanding of requirements related to special accommodations for those with special needs.
- Minorities and persons with Limited English Proficiency are most at risk for discriminatory practices and affordability issues that limit choice.
 - SC had the largest percentage increase of students with English as a Second Language in the nation between 1994 and 2005.
 - The percentage of persons in SC with Limited English Proficiency increased 86% between 2000 and 2008.
 - 28% of SC households have Limited English Proficiency.
 - African American households are disproportionately more likely to have a housing problem.
 - The greatest number of fair housing complaints filed with HUD FHEO and the SC Human Affairs Commission continues to involve race in South Carolina, and this pattern has been consistent.

FAIR HOUSING STATUS AND ENFORCEMENT

- While progress has been made in public awareness of discriminatory practices, discrimination continues to be evident based on complaints to HUD FHEO and SCHAC.
 - The number of HUD FHEO cases in SC declined about 50% between 2008 and 2010 and the number of SCHAC cases has also dropped since 2006.
 - Race is the leading basis of complaint but disability is gaining.
 - Discrimination on the basis of sexual orientation has tripled since 2006.
 - Discrimination based on national orientation and familial status is also increasing but more slowly.
 - Discrimination in the sale, rental or occupancy of housing is the most common type followed by failure to rent, sell or deal with individuals.
 - 50% of survey respondents said they knew someone who had been discriminated against.

LENDING AND FORECLOSURE

- Financial resources for owner-occupant home purchases are more limited in the state's non-metropolitan areas.

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- Between 2008 to 2010, only 40% (160 out of 401) of the lending institutions reporting HMDA loan activity in South Carolina reported loans in the state's non-MSA areas.
 - Home purchase loan applications in the state's non-MSA areas represented only 16% of the state total.
 - Across property types and income categories, loan approval rates are lower in every category in the state's non-MSA areas.
- Availability of financial resources for owner-occupant home purchases is limited for all income and racial groups, but more limited for minorities.
 - With rates at historic lows, HMDA data indicates nearly 50% of all loan applications in recent years have been from existing homeowners seeking to refinance existing home purchase loans.
 - For 1-4 unit structures, White applicants are most likely (80%) to be approved followed closely by Asians (75%). African Americans have the lowest success rate at 52%. The pattern is similar for manufactured housing, with White applicants (40%) most successful and African Americans (21%) least successful.
 - Across all income categories, the pattern is similar. White applicants, or in some cases Asian applicants, have the highest approval rate and African Americans the lowest rates, with the difference reflecting a similar margin.
- Financial literacy represents a particular challenge for non-White minorities other than Asians.
 - Credit history was the leading cause of loans denied for all race categories except Asians, followed by debt-to-income ratio. For non-Asian and non-White applicants, credit history was the reason for denying more than 50% of applications.
 - Combined, credit history and debt-to-income ratio accounted for over 80% of loans denied to African American and other non-Asian minority groups.
 - The need for home buyer and other financial counseling was identified as a priority by 66% of respondents to a public survey.
- High cost loans continue to be a barrier for all groups.
 - Over the past 6 years, the number of high cost loans to Whites steadily increased while such loans to African Americans and other minorities steadily decreased.
 - Although average rate spreads are similar across race and income categories, non-White and non-Asian minorities are most likely to receive a high cost loan, or a loan with a “rate spread” of 3 percentage points or more.
 - African Americans at 14% are twice as likely to get a high cost loan.

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- Hispanic applicants are most likely to get a high cost loan, with 66% of non-LMI Hispanic applicants receiving such a loan.
 - Although the rate of predatory HOEPA loans (rate spread over 8 percentage points) is very low in South Carolina, Hispanics are 18 times more likely than White applicants to receive a HOEPA loan and African Americans are more than twice as likely. All other minorities and Whites have a similar, low rate of HOEPA loans.
 - In spite of legislative efforts and improved regulatory and reporting requirements, predatory lending practices continue to be an issue.
- Foreclosure activity while declining continues to hurt SC communities and negatively impacts the housing market.
 - Foreclosure activity was highest in 2008 and 2009 but has been trending downward.
 - High cost loans and unemployment were two factors influencing the number of foreclosures.
 - Many neighborhoods, primarily in urban, suburban and coastal areas, are experiencing a higher incidence of vacant housing, declines in home values and increases in affordable rental housing stock.

BARRIERS TO AFFORDABLE HOUSING

- Limited availability of affordable housing sites
 - 63% of survey respondents said suitable, scattered sites for affordable housing were not available.
 - 50% indicated that zoning requirements restrict the placement of affordable housing, particularly rental housing and group homes for special needs populations.
 - Infrastructure and transportation limit the location of affordable housing.
 - Given the limited locations where affordable housing exists, as transportation costs increase the distance between affordable housing options and job centers places an unequal burden on lower income groups.
- Zoning and regulatory barriers have not been examined by all communities.
 - 50% of survey respondents had indicated procedures had been reviewed locally in their communities.
 - NIMBY issues continue to prevent the development of available sites.
 - Administrative fees and processing delays are costly and decrease affordability of even lower cost housing developments.

PART VI — IMPEDIMENTS TO FAIR HOUSING CHOICE

FAIR HOUSING PLANNING

- The availability of data is not uniform or available for all areas of the state
 - Complaint data is not consistent between HUD FHEO and SCHAC, and SCHAC data is not detailed enough to identify bases of complaints other than race and gender. Disability in particular cannot be segmented and measured in SCHAC data.
 - 11 counties in SC have not undertaken planning or analysis of impediments or been a part of a regional analysis.
- There is no central state authority or agency responsible for all aspects of fair housing planning, enforcement or outreach.

PUBLIC AWARENESS

- Understanding fair housing protections is improving for the general public but education and outreach is still needed, including how to file a complaint.
 - 38% of survey respondents were unfamiliar with the fair housing law.
 - 44% did not know how to file a complaint or to report discriminatory practices.
 - 77% of local government survey respondents had passed fair housing ordinances and 61% have local complaint procedures.
 - 75% of respondents thought discrimination was becoming less of an issue.
- Additional training for public and private sector entities is needed to combat discrimination.
 - Only 50% of local government survey respondents had received training.

IDENTIFIED IMPEDIMENTS

Based upon this analysis, several impediments to fair housing have been identified. They are described below and specific strategies to address them are detailed in the Actions to Address Impediments section of this report.

DISCRIMINATION IN THE HOUSING MARKET

- ◇ **Housing discrimination impedes fair housing choice and primarily impacts minorities and persons with disabilities.**

Based on the complaint data and HMDA data, as well as survey results, there is evidence of housing discrimination against persons in the protected classes. There were 445 fair housing complaints filed between 2006 and 2010 with the SCHAC and 649 complaints filed with HUD FHEO. The 2010 survey indicates that discrimination is found sometimes or often by 50 percent of respondents. Further, 56

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percent felt that discrimination was a concern in their community. The complaint data indicate that race and disability are primary sources of discrimination. Sex and familial status are also a frequent area of concern.

Discrimination in the sale, rental or occupancy of housing is the most common type of discrimination followed by failure to rent, sell or deal with individuals. In the current economy and with the significant rate of foreclosures, the incidences of discrimination are more likely to focus on rental housing.

PRIVATE SECTOR LENDING PRACTICES

- ◇ **The prevalence of predatory lending products, coupled with a lack of access to credit and poor financial literacy, enable and may contribute to discriminatory effects.**

Analysis of the HMDA data for South Carolina indicates that there are disparities in lending in the state. Home purchase loan applications from potential owner-occupants are less likely to be approved, across all income categories, if the applicant is a minority. African American applicants in particular have one of the lowest rates of approval compared with other applicants in each of the HUD income categories. Even minority applicants with incomes at or above 80% of the HUD Median Family Income for the area have less success getting approval for a home purchase loan, and African Americans in this income category are approved only about half the time. Further, while applicants of all income levels and races have greater difficulty obtaining home purchase loans for manufactured housing, African American applicants have the lowest success rate in every income category other than 0-30% of Median Family Income.

From the HMDA data, the reason for the low rate of home purchase loan approval for African Americans, as well as other minorities other than Asians, is poor credit history and debt-to-income ratios. These two reasons alone account for a much greater percentage of denials for non-White and non-Asian minority applicants, and the frequency with which this is an issue reinforces lack of financial literacy as a new and high priority concern, particularly amongst minorities. It is also evident that, for all groups, lack of financial resources acts as an impediment to fair housing, with lower income households having the lowest rate of approvals.

HMDA data regarding interest rates for approved home purchase loans provides an additional indication of lending disparities. A high cost loan is a loan where the annual percentage rate is at least three percentage points higher than the yield on treasury securities of comparable terms. Minority applicants, excluding Asians, in each income category have a higher percentage of home purchase loans that qualify as high cost. And again, at incomes of 80% of MFI and higher, African Americans have the highest percentage at 11% and all race categories are lower than the 7% average. Excessive rate spreads of 8 percentage points or more fall under HOEPA, or the Home Owner Equity Protection Act. These predatory loans represent less than one-half of one percent in South Carolina. The universe of data is fairly small, therefore, at just 385 out of 101,017 owner-occupant home purchase loans approved, for the period 2008 through 2010. However, a similar trend is reflected in this data: African American applicants are more likely than average, at nearly 1%, to have been approved for a HOEPA loan.

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Average rate spreads are fairly consistent across income and race categories, with the overall average for all approved applicants just under 5 percentage points. Since rates also vary with income levels, credit and employment history, debt-to-income ratios before and after home purchase and downpayment amount, variation in rates charged may not be discriminatory based on race, but rather a result of higher incidences of poor credit and debt-to-income ratios among certain groups.

Overall, while HMDA data would appear to indicate discriminatory lending practices, more information than is available in the HMDA dataset is needed to determine if any pattern of discrimination might exist. In addition, the HMDA data do not capture the effects of protected classes being intimidated by or unfamiliar with the requirements of the loan application process. Many loan applications are withdrawn before going for approval, though this could be for any number of legitimate reasons.

What the HMDA data does indicate is a general need to improve access to credit for citizens and to provide more educational opportunities aimed at improving financial literacy. Greater awareness is needed regarding how to establish and maintain credit, the importance of credit history and how to successfully negotiate the home loan application process, particularly for lower income and minority households. Despite the requirement that pre-purchase counseling be a part of any homebuyer assistance program, many survey respondents and focus group participants noted that the lack of adequate counseling was a significant impediment. Indeed, it was noted that counseling after the purchase would also be useful to help new owners plan for the responsibilities of homeownership. The lack of adequate financial counseling was felt to contribute to foreclosure.

Combined with recent high rates of foreclosure, the increase in the number of pay day lenders in the state has further raised concerns about predatory lending practices. High cost loans and sub-prime and predatory mortgage lending have contributed to the high rate of mortgage foreclosures in recent years. According to the 2008 fair housing survey, predatory lending was reported as an impediment by 63% of respondents. State legislation has been designed to limit predatory lending and increase consumer awareness, but additional efforts are needed.

AFFORDABILITY AND ACCESSIBILITY OF HOUSING CHOICES

- ◇ **Economic barriers serve as an impediment to fair housing choice particularly when the supply of adequate affordable and accessible housing is limited.**

The market analysis revealed significant issues with the rate of poverty and unemployment and the challenges faced by low and moderate-income households in purchasing affordable homes in South Carolina. There are also significant cost burdens for low-income families seeking rental housing. Census data also indicate that South Carolina has a significant and growing number of persons with disabilities and elderly. Although building codes and design standards now require accessibility standards, there remains a deficiency of accessible housing units, especially in the rental market.

There are two concerns related to the affordable choice issue: the lack of an adequate supply of housing choices in or near job centers, and the location of community services, shopping and amenities creates higher transportation costs for low- and moderate-income households, even if the cost of the housing itself is affordable. In a similar manner, the imposition of development fees or the cost to develop

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necessary infrastructure (water, sewer, roads) for new housing increases the cost of such housing. Often it is not cost effective for developers to build affordable housing without public assistance or incentives.

PUBLIC SECTOR POLICIES AND COORDINATION

- ◇ **Regulatory barriers and lack of adequate coordination and resources can impede fair housing choice.**

The South Carolina Human Affairs Commission is the agency charged with educating the public and enforcing fair housing across the State. With limited resources, the main mission of the agency is to investigate fair housing complaints. There are many other agencies and organizations involved in housing, services and consumer protection. Each of these entities is hampered by a lack of funding and staff to address the needs. Given the multi-jurisdictional problems of housing, services, transportation and jobs, there is a need for more regional cooperation and coordination in fair housing efforts.

Regulatory barriers at the local level can create unintended impediments to the creation of more housing choices. There must be a balance between the need to protect the health and safety of the public and the ability to develop an adequate housing supply. State legislation has helped to eliminate or reduce the difficulties created by improper planning, zoning and building codes. However, local efforts are still needed to analyze permitting, administrative fees and processes, design standards, and building codes to ensure that they do not unnecessarily create barriers.

While statistical data can assist in identifying problems and areas of concern, reporting requirements vary, as does the quality of data provided. Further, much of the available data is at least a year old by the time it is available. More focused, accurate and current data is necessary to better understand the needs.

PUBLIC AWARENESS AND OUTREACH

- ◇ **Fair housing is impeded by a lack of knowledge of fair housing laws and fair housing resources among the general public, housing providers and policy makers.**

Surveys consistently indicate a need for better understanding of fair housing choice and discrimination issues for both housing providers and consumers. The general public often does not understand the complaint process and is unaware of the role that the South Carolina Human Affairs Commission plays in resolving fair housing disputes. Further, the general public needs a better understanding of the housing resources available to them. In particular, outreach is needed to meet the growing needs of persons with Limited English Proficiency (LEP). Although many lenders and real estate professionals are familiar with fair housing laws, additional education is needed particularly in rural areas where opportunities are more limited. Specially targeted efforts to educate housing providers about accessibility requirements under the American's with Disabilities Act is needed to address the state's growing elderly and disabilities population.

There is also a lack of understanding among local government officials about the specific elements of fair housing planning and how zoning, land use planning and administrative policies can act as an impediment to affordable and accessible housing and discriminatory patterns of development. A number of proposed

PART VI — IMPEDIMENTS TO FAIR HOUSING CHOICE

bills have been introduced in the legislature to address local planning and housing elements including the recently passed Priority Investment Act. This may be an indication that additional training of local planning officials would help to ensure that fair housing provisions are incorporated into local planning and development codes and ordinances and other administrative policies.

The public perception of NIMBY, or “not in my backyard,” is another barrier to fair housing, which is also a public awareness and housing affordability concern. Residents often oppose the development of affordable housing for fear that it will lower property values, increase crime, and introduce other negative elements into their neighborhoods. These fears and misconceptions persist, despite attempts by affordable housing, smart growth and planning organizations throughout the state to promote income diversity within neighborhoods, and the importance of an adequate supply of “workforce housing” to community sustainability and economic development.

PART VII - ACTIONS TO ADDRESS IMPEDIMENTS

This AI builds upon the previous studies, surveys and public input. It analyzes data and identifies the private and public sector conditions that foster housing discrimination, and provides recommended actions to overcome the effects of the fair housing issues identified. Several of these actions address multiple impediments and linkages among them are noted.

It is the goal of the State to reduce and eventually eliminate any existing housing discrimination and prevent its reemergence in the future, as well as to address other impediments to equal housing opportunity. Most of the authority to address fair housing lies at the local county and municipal government level, with little ability by any individual state agency to effect broad changes either at the legal and regulatory level or at the local government level. Further, within the state, there are numerous fair housing planning entities that receive HUD funding. These not only include the four state agency partners in the State Consolidated Plan, but also numerous local county and municipal governments and consortiums that receive HUD funding directly. Finally, organization of state government is such that none of these agencies are tasked solely with a fair housing mission, and this brings in additional entities including the SC Human Affairs Commission and the SC Department of Consumer Affairs. Each of these is involved in fair housing but there is no central coordinating entity, with authority to take action on behalf of the state as a whole.

The role of the SC Department of Commerce, as lead entity for the Consolidated Plan, is largely to advocate for and promote actions that improve fair housing, encourage coordination amongst disparate public entities, encourage Con Plan partners to act and report on fair housing issues, analyze existing data sources, report progress on fair housing issues, highlight findings from data analyses, and encourage meaningful action and cooperation at local levels, both by recipients of State HUD funds and other direct HUD recipients in the state.

FAIR HOUSING RESPONSIBILITIES

Given these constraints, the state will each year undertake actions aimed at addressing fair access to housing and fairness of housing choices for State residents. These may include the actions outlined below, or other actions that may be subsequently identified as relevant and potentially effective in combating and eliminating impediments to fair housing choice. Actions may be undertaken by the SC Department of Commerce in its role as the lead agency for the State Consolidated Plan, by the Consolidated Plan partner agencies, by other HUD-funded agencies in the state, by local government recipients of HUD funds or by other state agencies, as appropriate.

PART VII – ACTIONS TO ADDRESS IMPEDIMENTS

IMPEDIMENTS AND ACTIONS TO ADDRESS IMPEDIMENTS

DISCRIMINATION IN THE HOUSING MARKET

The State recognizes that, despite an ongoing emphasis on Fair Housing and continual outreach and education, discriminatory practices still persist and limit housing choices for the state's protected classes. The state should promote activities and actions that will help identify, monitor and eliminate discrimination by housing providers, including actions to combat discrimination in the private sector in lending, brokerage, leasing, appraisal and other activities related to the provision of housing. Actions may include:

ACTIONS

- ◇ Continue ongoing enforcement activities by the SC Human Affairs Commission, increase data collection and improve the quality of data regarding complaints in order to monitor and analyze the incidences of discrimination.
- ◇ Support programs to educate households, housing providers and other housing related organizations by disseminating Fair Housing law literature, conducting, facilitating or promoting Fair Housing seminars and training, developing public awareness campaigns to focus attention on Fair Housing and the fair housing issues facing special needs populations, and encouraging local efforts at outreach and education.
- ◇ Make available fair housing materials in Spanish and encourage development and sharing of educational programs in Spanish, especially in neighborhoods and communities with high percentages of Spanish-speaking persons.
- ◇ Expand efforts to inform renters and homebuyers of their rights and recourse, if they feel they have been discriminated against, and the rights and provisions for accommodations available to renters with disabilities.
- ◇ Coordinate with partner agencies, other HUD funding recipients, advocacy groups, community based organizations, real estate industry professionals, lenders, property owners, and government agency officials to periodically review and assess fair housing issues. Promote amongst these groups the need to identify discriminatory practices and trends and means and/or methods to address them.

PRIVATE SECTOR LENDING PRACTICES

The State should promote fair lending practices and support programs that improve financial literacy among the state's protected classes as a primary tool for reducing susceptibility to unfair and predatory lending. The state should encourage local outreach efforts and those sponsored by organizations such as the National Association of Realtors, builders associations and others aimed at educating private sector participants in housing related activities like development of affordable and accessible housing, lending,

PART VII – ACTIONS TO ADDRESS IMPEDIMENTS

brokerage and sales, and appraisal. The state should also capitalize on existing organizations which may be able to create new mechanisms for regulating these types of activities. Actions may include:

ACTIONS

- ◇ Support consumer education programs aimed at raising awareness and improving financial literacy, including but not limited to personal financial management, credit counseling, foreclosure prevention and homeownership counseling, and especially for minority and lower-income households.
- ◇ Encourage an expansion of the number of qualified housing counseling organizations and housing counselors in the state, as well as the number of providers of related financial literacy programs.
- ◇ Support efforts to limit unfair and predatory lending practices, such as the SC Department of Consumer Affairs mortgage fraud hotline and consumer alerts via newsletter and website.
- ◇ Implement newly established mortgage loan database at the SC Department of Consumer Affairs to target unethical business practices.

AFFORDABILITY AND ACCESSIBILITY OF HOUSING CHOICES

The provision of a greater supply of affordable housing in locations near jobs and services improves the number of housing options available to lower income populations, which in South Carolina encompass a high degree of minorities, elderly and persons with disabilities, as well as households with single female parents, and this in turn helps to eliminate economic barriers to housing choice. Expanding housing options in all locations that are accessible to persons with disabilities, and increasing the awareness of requirements of developers and housing providers regarding accessibility and accommodations, will help eliminate physical barriers to housing choice for people with disabilities who often have a difficult time locating suitable and accessible housing. It will also facilitate “aging in place” of existing residents whose accessibility needs may currently be met but which may change as they get older. Actions may include:

ACTIONS

- ◇ Use the annual Affordable Housing Forum as a vehicle for communicating information about resources for developing affordable and/or accessible housing, making existing housing more accessible and ADA compliant, and requirements and options related to accessibility accommodations.
- ◇ Encourage local government plans aimed at smart growth and sustainable development that include strategies to connect jobs and transportation to a range of housing choices.
- ◇ Support the preservation or development of affordable and accessible housing.

PART VII – ACTIONS TO ADDRESS IMPEDIMENTS

- ◇ Promote efforts by property managers and developers to utilize affirmative marketing strategies, particularly for affordable rental units and housing for disabled persons.
- ◇ Promote the availability of affordable housing choices through SChousingsearch.

PUBLIC AGENCY POLICIES AND COORDINATION

Greater coordination at the state and local level will help to increase the effectiveness of fair housing issues and ensure that fair housing is integrated into broader housing and human services efforts to reach those most affected by housing discrimination. Actions may include:

ACTIONS

- ◇ Continue to use the State Consolidated Plan and Annual Action Plan preparation as a means to review, discuss, and coordinate fair housing issues and programs.
- ◇ Encourage greater coordination of fair housing efforts, including the collection and analysis of data and training of staff with fair housing roles.
- ◇ Promote best practices in local land use, zoning, building codes, and local administrative policies to ensure they do not impede housing choice or have discriminatory or disparate effects.
- ◇ Continue, as funding levels allow, to make CDBG funding available to counties to conduct analyses of impediments to fair housing choice and to develop strategies to eliminate identified barriers.
- ◇ Support and encourage efforts to train local government officials in comprehensive planning and implementation of the Priority Investment Act and how to update their Comprehensive Plan Housing Element to include fair housing policies.

PUBLIC AWARENESS AND OUTREACH

There are a wide range of actions needed in education and outreach that will help to address identified impediments to fair housing choice. Actions may include:

ACTIONS

- ◇ Make available a fair housing presentation for use by local government officials, community development planners, and housing and housing service providers on fair housing.

PART VII – ACTIONS TO ADDRESS IMPEDIMENTS

- ◇ Deliver presentations and trainings for municipal and county officials, professional associations (planners, architects, engineers, real estate agents, lenders, etc.), and regional groups.
- ◇ Develop capacity to incorporate fair housing information into programs, public information portals and websites at the state and local government level and by other organizations that work with housing for protected classes.
- ◇ Hold Fair Housing Workshops, Conferences and Seminars to broaden public understanding of the benefits of affordable and accessible housing, addressing issues of NIMBY.
- ◇ Develop and distribute a broad range of materials and other fair housing resources for local governments and housing groups to increase public awareness of fair housing.

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FEDERAL RESOURCES FOR HOUSING AND COMMUNITY DEVELOPMENT

Excluding federal resources for economic recovery discussed above, major federal programs are allocated to states based on formulas. These include HOME, CDBG, Rural Development programs of the US Department of Agriculture, the Low Income Housing Tax Credit (LIHTC) and the Section 8 Rental Assistance programs operated by SHFDA, and Weatherization Assistance. A number of other federal resources are available only on a demonstration basis and/or through a competitive process on a national or regional level. These sources of funds are more difficult to obtain and less secure as a long term funding source; however, South Carolina continues to actively pursue and seek these funding opportunities on a project-by-project basis. These resources are described below.

Federal, Non-Recovery Programs for Housing and Community Development

Program	Program Description	Type of Assistance			
		Housing	Community Development	Economic Development	Transportation
Appalachian Regional Commission (ARC)	The ARC helps fund such projects as education and workforce training programs, highway construction, water and sewer system construction, leadership development programs, small business start-ups and expansions, and development of healthcare resources.	X	X	X	
DOE, Weatherization Assistance Program (WAP)	WAP provides grants to states, which in turn sub-grant to local agencies, to install energy conservation measures in the households of low-income persons, especially the elderly, those with disabilities and families with children.				
DOI, Land and Water Conservation Fund (LWCF)	The LWCF provides funds to local governments for the purchase of threatened lands to conserve them as parks, refuges, or other public lands.		X		
DOL, Workforce Investment Act	The WIA provides job-training services for economically disadvantaged youth and adults, dislocated workers and others who face significant employment barriers			X	
DOT, Capital Program (Section 5309)	The Section 5309 program provides funding for the establishment of new rail or bus-way projects, the improvement and maintenance of existing rail and other guide-way systems, and the upgrading of bus systems.				X
DOT, Elderly and Persons with Disabilities Program (Section 5310)	Section 5310 makes funds available to states to meet the special transportation needs of elderly persons and persons with disabilities.				X
DOT, Non-Urbanized Area Formula Program (Section 5311)	The Section 5311 program provides funding for public transportation in rural and small urban areas, including capital and administrative expenses.				X

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Federal, Non-Recovery Programs for Housing and Community Development

Program	Program Description	Type of Assistance			
		Housing	Community Development	Economic Development	Transportation
DOT, Transportation Equity Act for the 21st Century (TEA-21) Funds	Flexible funding that local governments may use either for transit improvements or highway purposes based on local planning priorities		X		X
DOT, Urbanized Area Formula Program (Section 5307)	Section 5307 is a formula grant program for urbanized areas providing capital, operating, and planning assistance for mass transportation.				X
EDA, Public Works and Economic Development Program	The public works program helps distressed communities in economic decline to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.			X	
EDA, Short-term Planning Grants to States, Sub-State Planning Regions and Urban Areas	Planning grants provide support for economic development planning, policymaking and implementation efforts, and to establish comprehensive economic development planning processes cooperatively with the state, political subdivisions, and economic development districts.			X	
EDA, Technical Assistance Program	The technical assistance program helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues, such as funding feasibility studies.			X	
HHS, Community Services Block Grant (CSBG)	The CSBG program provides states and state-recognized Indian Tribes with funds to provide a range of services to address the needs of low-income individuals to ameliorate the causes and conditions of poverty.	X	X		
HHS, Low Income Home Energy Assistance (LIHEAP)	LIHEAP provides federal funds to help eligible low-income households meet their home heating and/or cooling needs.	X			
HUD, Brownfields Economic Development Initiative (BEDI)	BEDI provides funds and loan guarantees to clean up and redevelop environmentally contaminated industrial and commercial sites, commonly known as "brownfields."	X	X		
HUD, Community Development Block Grant (CDBG)	CDBG provides grants that can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.	X	X	X	

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Federal, Non-Recovery Programs for Housing and Community Development

Program	Program Description	Type of Assistance			
		Housing	Community Development	Economic Development	Transportation
HUD, Economic Development Initiative (EDI)	EDI provides grants to local governments that they can use to enhance both the security of loans guaranteed through the Economic Development Loan Fund and the feasibility of the large economic development and revitalization projects they finance.	X		X	
HUD, Emergency Shelter Grants Programs (ESG)	ESG awards grants for the rehabilitation or conversion of buildings into homeless shelters. It also funds certain related services, operating expenses, homeless prevention activities, and administrative costs.		X		
HUD, Empowerment Zones and Enterprise Communities Initiative (EZ/EC)	The EZ/EC Initiative targets tax incentives, performance grants, and loans to designated low-income areas, called Empowerment Zones or Enterprise Communities, to create jobs, expand business opportunities, and support people looking for work.	X		X	
HUD, Historically Black Colleges and Universities (HBCU)	HBCU awards grants to historically black colleges and universities to address community development needs in their localities, including neighborhood revitalization, housing, and economic development	X	X	X	
HUD, HOME Investment Partnership (HOME)	HOME provides formula grants to states and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.	X			
HUD, HOPE	HOPE helps revitalize distressed public housing developments by providing grants and flexibility to address the housing and social service needs of their residents, including physical improvements, management improvements, and social and community services.	X	X		
HUD, Housing Opportunities for People with AIDS (HOPWA)	The HOPWA program provides housing assistance and related supportive services for low-income persons with HIV/AIDS and their families.	X	X		
HUD, Lead-Based Paint Hazard Control Grant Program	The Lead-Based Paint Program funds a broad range of activities to reduce dangers from lead-contaminated dust, soil, and paint in private homes and apartments built before 1978 that are owned or rented by low-income families.				

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Federal, Non-Recovery Programs for Housing and Community Development

Program	Program Description	Type of Assistance			
		Housing	Community Development	Economic Development	Transportation
HUD, Neighborhood Stabilization Program	Funds authorized under the Housing and Economic Recovery Act (HERA) of 2008, and again by the American Recovery and Reinvestment Act of 2009. Administered by SHFDA, the 2008 funds will be used to purchase, rehabilitate, redevelop or demolish foreclosed homes in areas of greatest need in the state, defined as areas with the highest foreclosure rates, levels of subprime mortgages, and mortgage defaults and delinquencies.	X	X		
HUD, Section 108 Loan Guarantee	Section 108 enables states and local governments participating in the Community Development Block Grant (CDBG) program to obtain federally guaranteed loans that can help fuel large economic development projects and other revitalization activities.	X	X	X	
HUD, Section 202 Supportive Housing for the Elderly	Section 202 provides capital advances to finance the construction and rehabilitation of structures that will serve as supportive housing for very low-income elderly persons and provides rent subsidies for the projects to help make them affordable.	X			
HUD, Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals (SRO Program)	The SRO Program provides Section 8 rental assistance for moderate rehabilitation of buildings with single-room dwellings—designed for the use of an individual, that often do not contain food preparation or sanitary facilities—that will be rented by homeless people.	X			
HUD, Section 8 Rental Certificate Program	The Section 8 Rental Certificate program increases affordable housing choices for very low-income households by allowing families to choose privately owned rental housing. Families apply to a local public housing authority (PHA) or administering governmental agency for a Section 8 certificate. The PHA pays the landlord the difference between 30 percent of the household's adjusted income and the unit's rent.	X			
HUD, Section 811 Supportive Housing for Persons with Disabilities	The Section 811 program provides grants to nonprofit organizations to develop and construct or rehabilitate rental housing with supportive services for very low-income persons with disabilities.	X	X		

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Federal, Non-Recovery Programs for Housing and Community Development

Program	Program Description	Type of Assistance			
		Housing	Community Development	Economic Development	Transportation
HUD, Self-Help Homeownership Opportunity Program (SHOP)	SHOP provides funds for nonprofit organizations to purchase home sites and improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income families.	X	X		
HUD Shelter Plus Care (S+P)	Shelter Plus Care provides rental assistance that, when combined with social services, provides supportive housing for homeless people with disabilities and their families.		X		
HUD, Supportive Housing Program (SHP)	SHP provides grants to develop supportive housing and services that will enable homeless people to live as independently as possible.		X		
HUD, Youthbuild	Youthbuild provides grants on a competitive basis to non-profit organizations to assist high-risk youth between the ages of 16 and 24 to learn housing construction job skills and to complete their high school education.	X	X		
IRS, Low Income Housing Tax Credit (LIHTC)	The LIHTC program is a tool for private developers and nonprofit entities to construct or rehabilitate affordable rental units. Federal tax credits may be used to obtain a dollar-for-dollar reduction in income tax liability for 10 years or to obtain equity for a project through syndication.				
NRCS, Conservation Programs	A variety of financial assistance programs is available for the conservation, improvement and sustainability of natural resources and the environment.		X		
RBS, Business Programs	Loans and grants are made to help build competitive businesses and cooperatives that can prosper in the global marketplace. To meet business credit needs in under-served areas, RBS Business Programs are usually leveraged with the resources of commercial, cooperative, or other private-sector lenders.			X	
RHS, Community Facility Loans	Guaranteed loans are made to construct, enlarge, or improve community facilities for healthcare, public safety, and public services, including the costs to acquire land needed for a facility, pay necessary professional fees, and purchase equipment required for its operation.	X	X		

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Federal, Non-Recovery Programs for Housing and Community Development

Program	Program Description	Type of Assistance			
		Housing	Community Development	Economic Development	Transportation
RHS, Farm Labor Housing	Loans and grants enable farmers, public or private nonprofit organizations, and units of state and local governments to build, buy, or repair farm labor housing in either dormitory or multifamily apartment style.	X			
RHS, Home Improvement Loans and Grants	Loans and grants enable low-income rural homeowners to remove health and safety hazards from their homes and to make homes accessible for people with disabilities.	X			
RHS, Home Ownership Loans	Financing is provided with no down payment and at favorable rates and terms through direct loans with RHS or with loans from a private financial institution that is guaranteed by RHS for the purchase, construction, rehabilitation, or relocation of dwellings and related facilities for low- or moderate-income rural persons.	X			
RHS, Housing Preservation Grants	Grants help low-income homeowners repair and rehabilitate their homes. Rental property owners can use them to repair and rehabilitate their units if they agree to make such units available to low-income families.	X			
RHS, Housing Subsidies	Funds are available to help subsidize monthly mortgage and rental payments, limiting these costs to no more than 30% of the adjusted monthly income of the applicant. These subsidies can be used with the home ownership, rural rental and farm labor programs.	X			
RHS, Rural Rental Housing Loans	Rural Rental Housing loans are made to finance building construction and site development of multifamily living quarters for people with low, very low and moderate incomes.	X			
RHS, Self Help Housing Loans	Self-Help Housing Loans help groups of six to ten low-income families build their own homes by providing materials and the skilled labor they cannot furnish themselves. The families must agree to work together until all homes are finished.	X			
RHS, Site Loans	Site loans are used to buy adequate building sites for development of a desirable community by private or public nonprofit organizations.			X	
RUS, Water and Waste Disposal Programs	Direct and guaranteed loans are made to develop water and wastewater systems, including solid waste disposal and storm drainage, in rural areas and to cities and towns with a population of 10,000 or less.	X	X		

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Federal, Non-Recovery Programs for Housing and Community Development

Program	Program Description	Type of Assistance			
		Housing	Community Development	Economic Development	Transportation
SBA, Business Loans and Guarantees	Financial, technical and management assistance is provided to help people start, run, and grow small businesses. SBA also assists in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses.			X	
WIA, Workforce Investment Act	Financial assistance to businesses for incumbent worker training, customized training, wages during on-the-job training, WorkKeys® job profiling; Rapid Response assistance for employees faced with downsizing; and financial assistance to individual training			X	

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HUD-APPROVED HOUSING COUNSELORS IN SOUTH CAROLINA